



June 1, 2023

MEMO TO: Stanislaus County Planning Commission

FROM: Department of Planning and Community Development

SUBJECT: AMENDMENT OF THE DEVELOPMENT AGREEMENT FOR USE PERMIT AND DEVELOPMENT AGREEMENT NO. PLN2018-0101 – NATURAL REMEDIES CONSULTING, INC.

PROJECT DESCRIPTION

This is a request to mutually amend the adopted Development Agreement (DA) to eliminate the Community Benefit Contribution and to modify the Community Benefit Rate for retail activities at a commercial cannabis operation permitted under Use Permit (UP) and DA No. PLN2018-0101 – Natural Remedies Consulting Inc (NRC). Approved by the Board of Supervisors on December 17, 2019, the project allows for operation of an indoor commercial cannabis cultivation, manufacturing (non-volatile), retail, and distribution business at 5272 Jerusalem Court, north of Kiernan Avenue, in the Modesto area (see Exhibit 1 – *December 17, 2019 Board of Supervisors Agenda Report without Attachments*). Exhibit 2 – *Maps* provides an overview of the general plan and zoning designations, aerial maps, and project site plan.

DISCUSSION

As required by Section 6.78.060(A)(2) of the Stanislaus County Code, prior to operating in the County, permittees of each commercial cannabis activity are required to enter into a DA, as specified in Title 22 of the Stanislaus County Code, with the County setting forth the terms and conditions under which the commercial cannabis activity will operate. Title 22 specifies that the Planning Commission shall consider the proposed DA and provide a recommendation to the Board of Supervisors. The recommendation shall include the Planning Commission's determination on whether or not the DA:

- a. Is consistent with the General Plan and any applicable specific plan.
- b. Is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is or will be located.
- c. Is in conformity with and will promote public convenience, general welfare, and good land use practice.
- d. Will be detrimental to health, safety, and general welfare.
- e. Will adversely affect the orderly development of property or the preservation of property values.
- f. Will promote and encourage the orderly development of the proposed project by providing a greater degree of requisite certainty.

Two components of each DA for commercial cannabis operators are Community Benefit Rate fees, collected to be used for enforcement activities of illegal cannabis activities throughout the County, and the Community Benefit Contribution, collected to be distributed to local community

charities and to be utilized for public improvement projects. The approved DA included a Community Benefit Contribution that ranges from \$23,250 to \$65,500 over the first five years and a Community Benefit Rate for retail activities ranging from of \$390,000 to \$470,000 over the first five years or 8% of gross receipts, whichever is greater. The range begins at a base amount negotiated between the County and operators and then increases in 5% increments over the life of the DA (see Exhibit 3 – *Executed Development Agreement*).

On May 3, 2022, the Board of Supervisors approved termination of the collection of Community Benefit Contribution Fees from approved cannabis businesses in the unincorporated area and amended the Community Benefit Contribution Program. The termination was based on feedback from commercial cannabis operators requesting staff review the program in response to market conditions. The new program includes a menu of options for direct contributions by operators to give back to the community. Operators will donate at their discretion during the year and the County will verify contributions as part of the annual business inspection and audit process.

Due to challenging market conditions, the County and the operators of NRC (Richard and Cheryl King) have agreed to mutually amend the DA. The amendment would eliminate the Community Benefit Contribution section of the DA upon approval. Additionally, the modification would lower the Community Benefit Rate for the years 2022 and 2023 to \$261,300 or 8% of gross receipts, whichever is greater (see Exhibit 4 – *Draft First Amendment to Development Agreement*). Despite having reached mutual agreement to amend the DA on August 11, 2022, the amendment process did not proceed due to delayed efforts by the applicant to achieve all required permitting for improvements to the existing structure. While the project is still pending permit compliance due to outstanding building permit issuance, progress has been made and the County is proceeding with the processing of the DA amendment in order to bring resolution to the request.

Following the August 11, 2022 agreement, the operator ceased to complete their obligated Community Benefit Rate payments and currently owe the County a combined \$468,500 for Quarters 2 through 4 of 2022 and Quarter 1 of 2023. After being noticed in accordance with Section 15 – Default of the adopted Development Agreement, the operator is now in a state of non-compliance and has been referred to the Planning Director for action in accordance with Section 15.6.2 – Termination or Modification of the Development Agreement and County Code Section 22.08.020 – Cancellation by the County. If the amendment to the DA is approved, the new rate will be applied to payments starting in Quarter 1 of 2022, thus reducing the amount owed by the operator to \$268,485.76. Proceedings related to the non-compliance will be brought to the Planning Commission at a future date, if still applicable.

In accordance with Title 22 of the Stanislaus County Code, and Government Code Section 65868, a DA may be amended by mutual consent provided a public hearing is noticed and held by both the Planning Commission and the jurisdiction's Legislative Body (Board of Supervisors) in conformance with Government Code Sections 65090 and 65091. The findings from County Code Section 22.04.030, which are required to approve a new DA or mutual amendments to an adopted DA include:

- a. Is consistent with the General Plan and any applicable specific plan.
- b. Is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is or will be located.
- c. Is in conformity with and will promote public convenience, general welfare and good land use practice.

- d. Will not be detrimental to health, safety, and general welfare.
- e. Will not adversely affect the orderly development of property or the preservation of property values.
- f. Will promote and encourage the orderly development of the proposed project by providing a greater degree of requisite certainty.

From a land use perspective, in terms of the General Plan and Zoning Ordinance, the project continues to meet the required DA findings; however, the use itself is not in compliance with the terms of the DA with respect to its obligated Community Benefit Rate payments and has failed to complete all of the required improvements under the terms of the Use Permit. Given that this is the first request to amend a DA involving a use that is not in compliance, staff is looking to the Planning Commission for guidance on how to address this request and, as such, is not providing a recommendation to the Planning Commission. If on the whole of the record, after close of the public hearing, the Planning Commission decides to recommend approval to the Board of Supervisors, the *Recommendation* section of this memo provides the necessary findings to do so.

ENVIRONMENTAL REVIEW

Under California law, a project that previously was subject to review under the California Environmental Quality Act (CEQA) may be exempt from CEQA or may be evaluated under the provisions that may trigger subsequent or supplemental CEQA review (under Public Resources Code Section 21166 and CEQA Guidelines Section 15162). Staff has prepared a Notice of Exemption for the project, which declares that the project is exempt from CEQA on the basis of CEQA Guidelines Section 15061 – Common Sense Exemption. The CEQA Guidelines provide that, where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The proposed development agreement amendment only alters fees required to be paid by the operator and does not propose any physical changes to the existing commercial cannabis retail operation.

RECOMMENDATION

1. Find the project is exempt from CEQA, pursuant to CEQA Guidelines Section 15061 (Common Sense Exemption), by finding that on the basis of the whole record, including any comments received, that there is no substantial evidence the project will have a significant effect on the environment and that the exemption reflects Stanislaus County's independent judgment and analysis.
2. Order the filing of a Notice of Exemption with the Stanislaus County Clerk-Recorder's Office pursuant to CEQA Guidelines Section 15061.
3. Find that the Development Agreement Amendment:
 - a. Is consistent with the General Plan and any applicable specific plan.
 - b. Is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is or will be located.
 - c. Is in conformity with and will promote public convenience, general welfare and good land use practice.
 - d. Will not be detrimental to health, safety, and general welfare.

- e. Will not adversely affect the orderly development of property or the preservation of property values.
 - f. Will promote and encourage the orderly development of the proposed project by providing a greater degree of requisite certainty.
4. Recommend the Board of Supervisors approve the amendment to the Development Agreement of UP and DA PLN2018-0101 – Natural Remedies Consulting, Inc.

Contact Person: Jeremy Ballard, Senior Planner, (209) 525-6330

Attachments:

- Exhibit 1 – December 17, 2019 Board of Supervisors Agenda Report without Attachments*
- Exhibit 2 – Maps
- Exhibit 3 – Executed Development Agreement
- Exhibit 4 – Draft First Amendment to Development Agreement
- Exhibit 5 – Notice of Exemption

**The document with attachments is available online:*

<https://www.stancounty.com/bos/agenda/2019/20191217/PH02.pdf>

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Planning and Community Development

BOARD AGENDA:6.2
AGENDA DATE: December 17, 2019

SUBJECT:

Conduct a Public Hearing to Consider the Planning Commission's Recommendation of Approval for General Plan Amendment, Rezone, Use Permit, and Development Agreement Application No. PLN2018-0101 - Natural Remedies Consulting, Request to Amend the General Plan and Zoning Designation to Allow Indoor Commercial Cannabis Cultivation, Manufacturing (Non-Volatile), Retail, and Distribution Activities Within An Existing 12,000 Square-Foot Warehouse, Located at 5272 Jerusalem Court, North of Kiernan Avenue, in the Modesto Area

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2019-0771

On motion of Supervisor Chiesa , Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, DeMartini, and Chairman Withrow

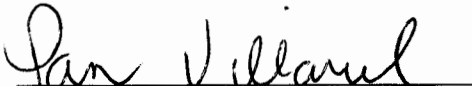
Noes: Supervisors: None

Excused or Absent: Supervisors: Berryhill

Abstaining: Supervisor: None

- 1) Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION:

ATTEST: 
PAM VILLARREAL, Assistant Clerk

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Planning and Community Development

BOARD AGENDA:6.2

AGENDA DATE: December 17, 2019

CONSENT

CEO CONCURRENCE:

4/5 Vote Required: No

SUBJECT:

Conduct a Public Hearing to Consider the Planning Commission's Recommendation of Approval for General Plan Amendment, Rezone, Use Permit, and Development Agreement Application No. PLN2018-0101 - Natural Remedies Consulting, Request to Amend the General Plan and Zoning Designation to Allow Indoor Commercial Cannabis Cultivation, Manufacturing (Non-Volatile), Retail, and Distribution Activities Within An Existing 12,000 Square-Foot Warehouse, Located at 5272 Jerusalem Court, North of Kiernan Avenue, in the Modesto Area

STAFF RECOMMENDATION:

1. Conduct a public hearing to consider the Planning Commission's recommendation for approval of General Plan Amendment, Rezone, Use Permit, and Development Agreement Application No. PLN2018-0101 – Natural Remedies Consulting, request to amend the General Plan and Zoning Designation to allow indoor commercial cannabis cultivation, manufacturing (non-volatile), retail, and distribution activities, located at 5272 Jerusalem Court, north of Kiernan Avenue, in the Modesto area.
2. Adopt the Negative Declaration pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15074(b), by finding that on the basis of the whole record, including the Initial Study and any comments received, that there is no substantial evidence the project will have a significant effect on the environment and that the Negative Declaration reflects Stanislaus County's independent judgment and analysis.
3. Order the filing of a Notice of Determination with the Stanislaus County Clerk-Recorder's Office pursuant to Public Resources Code Section 21152 and CEQA Guidelines Section 15075.
4. Find that:
 - a. The General Plan Amendment will maintain a logical land use pattern without detriment to existing and planned land uses;
 - b. The County and other affected governmental agencies will be able to maintain levels of service consistent with the ability of the governmental agencies to provide a reasonable level of service;

- c. The amendment is consistent with the General Plan goals and policies;
 - d. Find that the proposed Planned Development (P-D) zoning is consistent with the Planned Development General Plan designation;
 - e. The establishment, maintenance, and operation of the proposed use or building applied for is consistent with the General Plan and will not, under the circumstances of the particular case, be detrimental to the health, safety and general welfare of persons residing or working in the neighborhood of the use and that it will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County; and
 - f. The alternative to the Agricultural Buffer Standards applied to this project provides equal or greater protection than the existing buffer standards.
5. Find that the Development Agreement:
- a. Is consistent with the General Plan and any applicable specific plan;
 - b. Is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is or will be located;
 - c. Is in conformity with and will promote public convenience, general welfare, and good land use practice;
 - d. Will not be detrimental to health, safety, and general welfare;
 - e. Will not adversely affect the orderly development of property or the preservation of property values; and
 - f. Will promote and encourage the orderly development of the proposed project by providing a greater degree of requisite certainty.
6. Approve General Plan Amendment, Rezone, Use Permit, and Development Agreement Application No. PLN2018-0101 – Natural Remedies Consulting, subject to the attached Development Standards.
7. Authorize the Chairman of the Stanislaus County Board of Supervisors to execute the attached Development Agreement.
8. Introduce, waive the reading, and adopt the ordinances for the approved Rezone and Development Agreement.

DISCUSSION:

This project is a request to amend the General Plan and zoning designation of a 1.01-acre property from P-I (Planned Industrial) to P-D (Planned Development), and to obtain a Use Permit and Development Agreement, to allow indoor commercial cannabis cultivation, manufacturing (non-volatile), retail, and distribution activities in a portion of an existing 12,000 square-foot warehouse building.

The site is located at 5272 Jerusalem Court, north of Kiernan Avenue, in the Modesto area. The project site is surrounded by light industrial development and low traffic generating commercial uses to the south and west; orchards to the east; open space and a Modesto Irrigation District canal to the north; and the City of Modesto to the south. Two County approved indoor commercial cannabis cultivation and distribution operations are also located to the south and west of the project site (UP & DA PLN2018-0094 – Lyfted Farms – 5271 – Jerusalem Court and UP & DA PLN2018-0095 – Lyfted Farms – 5266 Jerusalem Court). Both applications were approved by the Planning Commission on January 17, 2019 and were subsequently approved by the Board of Supervisors on February 12, 2019, and February 26, 2019, respectively.

The existing 12,000 square-foot building includes a total of four suites. The project proposes to utilize three of the suites, B through D. Suite A is not a part of the proposed project and is currently occupied by a hearing aid testing business. The site is also developed with 41 paved parking spaces and existing landscaping around the parcel. A detailed project description including a floor plan, along with a Development Agreement, as required Chapter 6.78.060 of the Stanislaus County Code, is provided in the November 21, 2019 Planning Commission Staff Report (see Attachment 1 – *November 21, 2019 Planning Commission Staff Report*).

As discussed in the Planning Commission Staff Report, the proposed business is adjacent to agricultural property, zoned A-2 (General Agriculture), on the eastern property line. This property boundary is currently fenced but does not meet the required 300-foot Agricultural buffer for people intensive uses. Accordingly, the applicant is proposing an agricultural buffer alternative which consists of a reduced setback with fencing. Light industrial development has already occurred to the west and south of the project site. The agriculturally zoned parcel to the east is planted in trees. The project site is physically separated from both parcels with a chain-link fence with slats. Furthermore, the building entrances are facing westerly away from the agriculturally zoned parcels, and only emergency exits face east at the back side of the building. The building would shield a majority of the areas of the proposed project that are people intensive. Staff believes that because the existing building and all people intensive uses would take place indoors, the proposed alternative can be found to provide equal protection to the existing buffer standards.

If approved, the fees to be collected from the project include a Community Benefit, which is divided into two categories, a Community Benefit Contribution and a Community Benefit Rate. Community Benefits are negotiated on a project-by-project basis and are required to be paid quarterly, by the operator to the Treasurer/Tax Collector.

The Community Benefit Contribution is intended to be distributed to local community charities and to be utilized for public improvement projects. The Community Benefit Contribution included in the Development Agreement for this project is an annual fee which will range from \$23,250 to \$65,500 over the first five years.

The Community Benefit Rate is based on the activities to be permitted and their proposed scope. The Community Benefit Rate for this project is as follows: indoor cultivation shall be \$30,000 for up to 5,000 square feet of canopy, \$70,000 for canopy ranging between 5,001 to 10,000 square feet, or \$176,000 for canopy ranging between 10,001 to 22,000 square feet; or \$70,000 per year, whichever is greater. The remaining Community Benefit Rates are as follows: 3% of gross receipts for distribution activities; \$50,000 or of 8% of gross receipts, whichever is greater for manufacturing activities, which are estimated to start in 2023; and an annual amount ranging from of \$390,000 to \$470,000 over the first five years or 8% of gross receipts, whichever is greater, for retail activities. All Community Benefit Rate fees collected are intended to be used for enforcement activities of illegal cannabis activities throughout the County.

The proposed Development Agreement has a term of five years and the fees will be reassessed under a subsequent Development Agreement or any amendments to the proposed Development Agreement.

The Planning Commission on November 21, 2019, conducted a public hearing for the proposed project. Following staff's presentation, Commissioner Mott confirmed the proximity of the agricultural parcel to the project site and that exit doors on the east side of the building were only for emergency exits only. Commissioner Willerup expressed that the project appeared to have adequate parking and Chair Hicks stated he was not concerned with the agricultural buffer setback. No one spoke in favor or opposition of the proposed project. A motion to recommend approval to the Board of Supervisors was made and was approved unanimously, on a vote of 5-0.

POLICY ISSUE:

In order to consider an amendment to the General Plan and a rezone request, the Board of Supervisors must hold a public hearing. In order to approve an amendment to the General Plan, the decision-making body must find that the amendment will maintain a logical land use pattern without detriment to existing and planned land uses; that the County and other affected governmental agencies will be able to maintain levels of service consistent with the ability of the governmental agencies to provide a reasonable level of service; and that the amendment is consistent with the General Plan goals and policies. In order to approve a rezone, it must be found to be consistent with the General Plan. In this case, provided the General Plan designation is amended to Planned Development, the proposed Planned Development zoning designation would be consistent. As required by Chapter 6.78.060 of the Stanislaus County Code, prior to operating in the County, the permittee of each commercial cannabis activity shall enter into a development agreement, as specified in Title 22 of the Stanislaus County Code and shall obtain all necessary entitlements, as required by Title 21 of the Stanislaus

County Code. Title 21 requires that a use permit be obtained prior to operating a commercial cannabis business.

FISCAL IMPACT:

Costs associated with processing this request, including setting the public hearing, publishing of required notices, and conducting the hearing, have been covered by the application fee deposit plus revenue from additional invoicing at project end.

BOARD OF SUPERVISORS' PRIORITY:

Approval of this action supports the Board of Supervisors' priority of *Developing a Healthy Economy and Delivering Efficient Public Services & Community Infrastructure* by providing a land use determination consistent with the overall goals and policies of the Stanislaus County General Plan.

STAFFING IMPACT:

Planning and Community Development Department staff is responsible for reviewing all applications, preparing all reports, and attending meetings associated with the proposed request.

CONTACT PERSON:

Angela Freitas, Planning and Community Development Director
Telephone: (209) 525-6330

ATTACHMENT(S):






1. November 21, 2019 Planning Commission Staff Report
2. November 21, 2019 Planning Commission Minutes Excerpt
3. Proposed Ordinance and Development Agreement
4. Proposed Rezone Ordinance and Sectional District Map

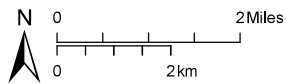
**NATURAL REMEDIES
CONSULTING**

**GPA REZ UP DA
PLN2018-0101**

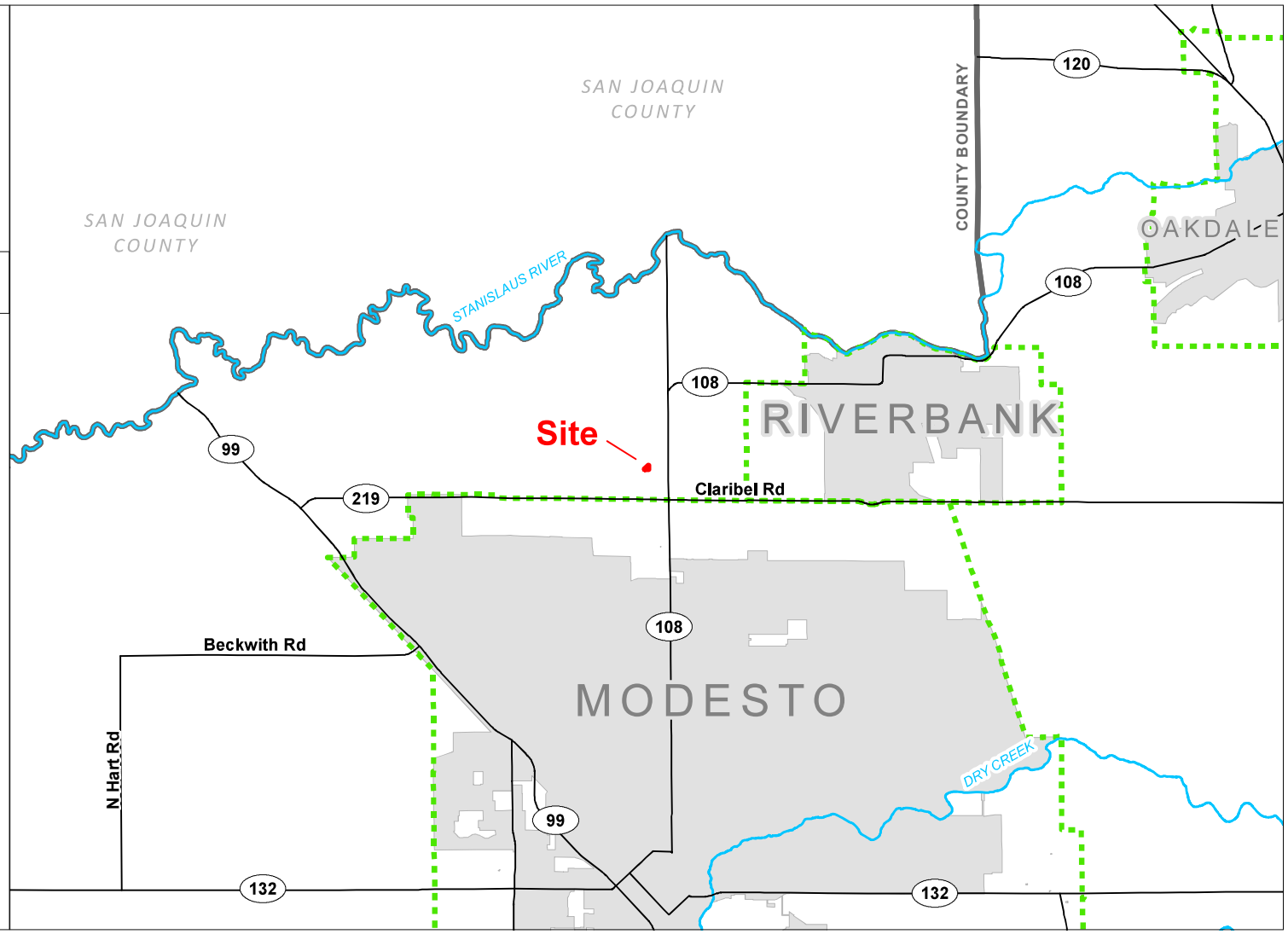
AREA MAP

LEGEND

-  Project Site
-  Sphere of Influence
-  City
-  Road
-  River



Source: Planning Department GIS Date: 9/19/2019







**NATURAL REMEDIES
CONSULTING**

**GPA REZ UP DA
PLN2018-0101**

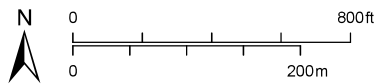
GENERAL PLAN MAP

LEGEND

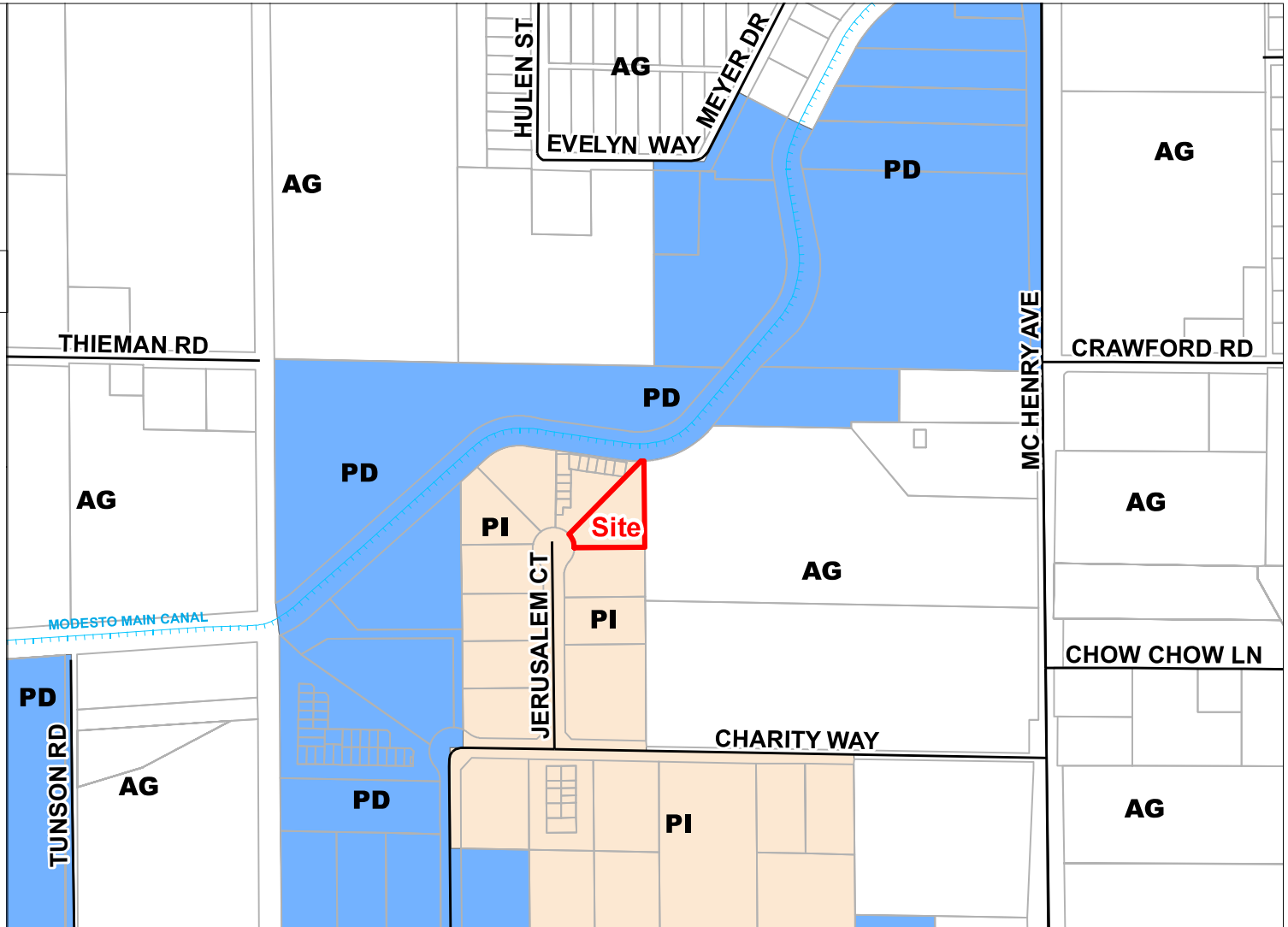
-  Project Site
-  Parcel
-  Road
-  Canal

GENERAL PLAN

-  **AG** Agriculture
-  **P-D** Planned Development
-  **P-I** Planned Industrial



Source: Planning Department GIS Date: 9/19/2019







**NATURAL REMEDIES
CONSULTING**




**GPA REZ UP DA
PLN2018-0101**

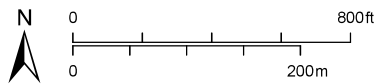
ZONING MAP

LEGEND

-  Project Site
-  Parcel
-  Road
-  Canal

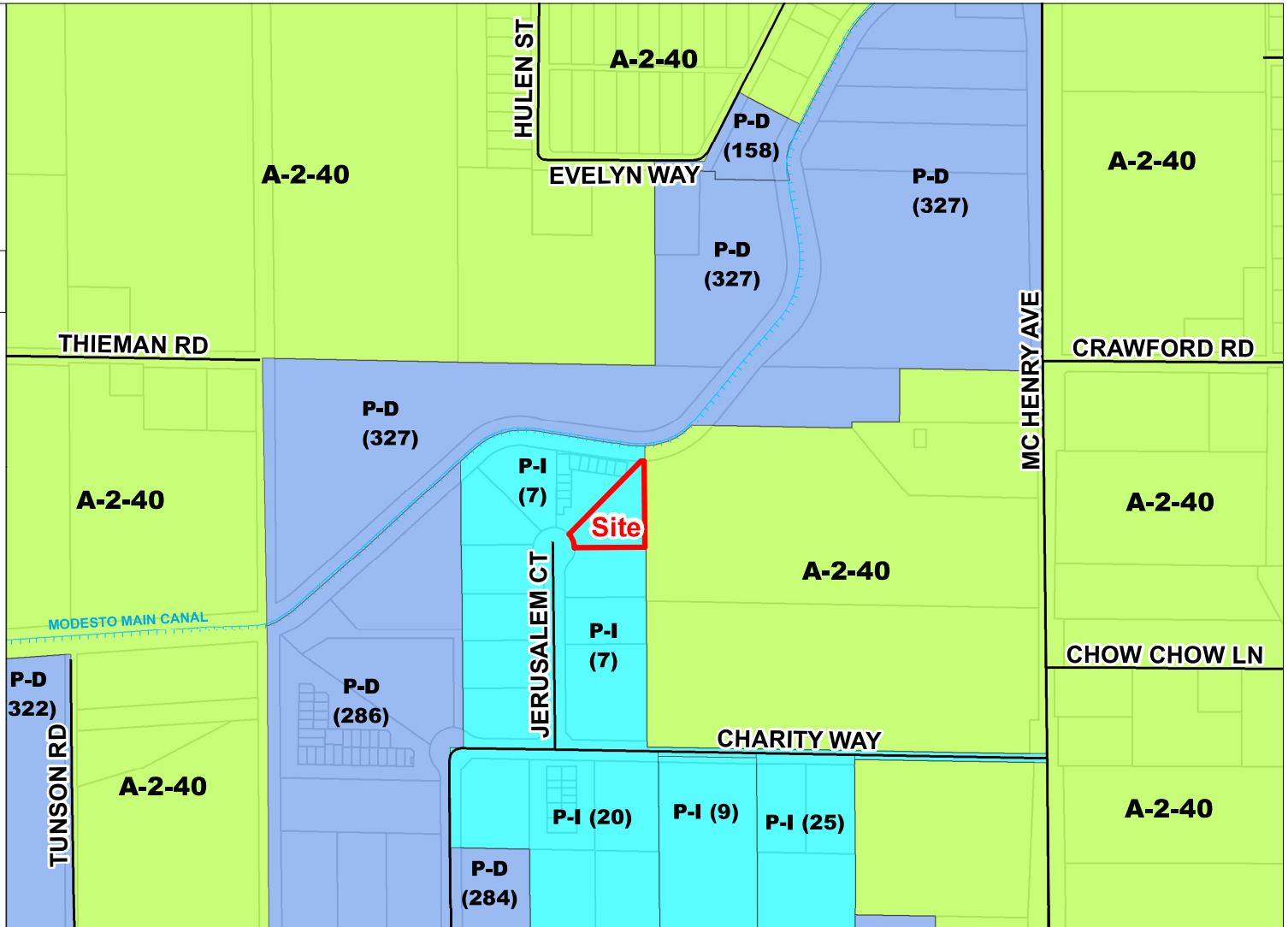
Zoning Designation

-  **A-2-40** General Agriculture 40 Acre
-  **P-D** Planned Development
-  **P-I** Planned Industrial



Source: Planning Department GIS

Date: 11/13/2019






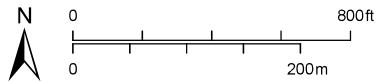
**NATURAL REMEDIES
CONSULTING**

**GPA REZ UP DA
PLN2018-0101**

2017 AERIAL AREA MAP

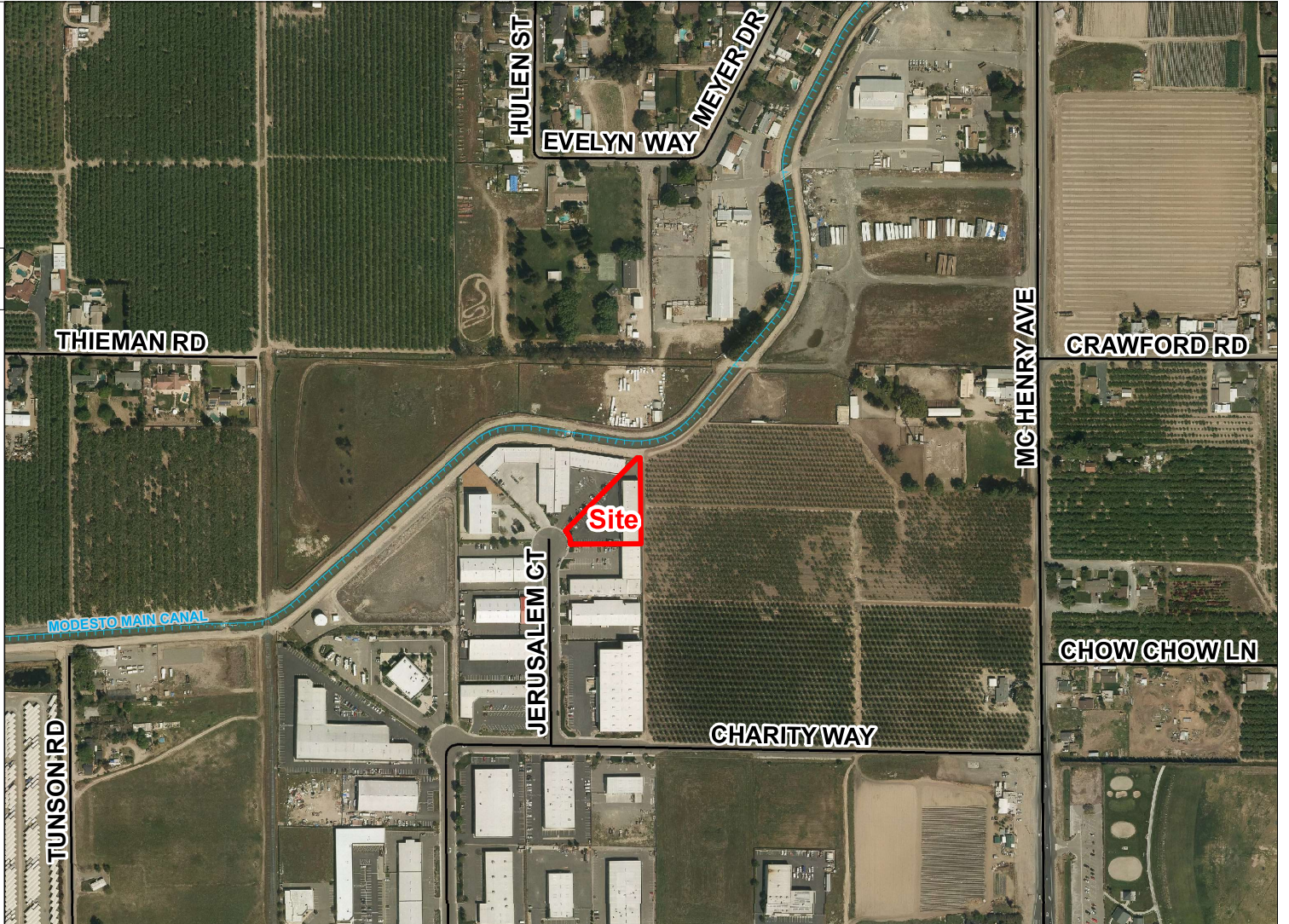
LEGEND

-  Project Site
-  Road
-  Canal



Source: Planning Department GIS

Date: 9/19/2019



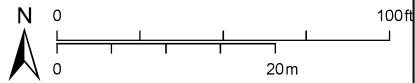
**NATURAL REMEDIES
CONSULTING**

**GPA REZ UP DA
PLN2018-0101**

2017 AERIAL SITE MAP

LEGEND

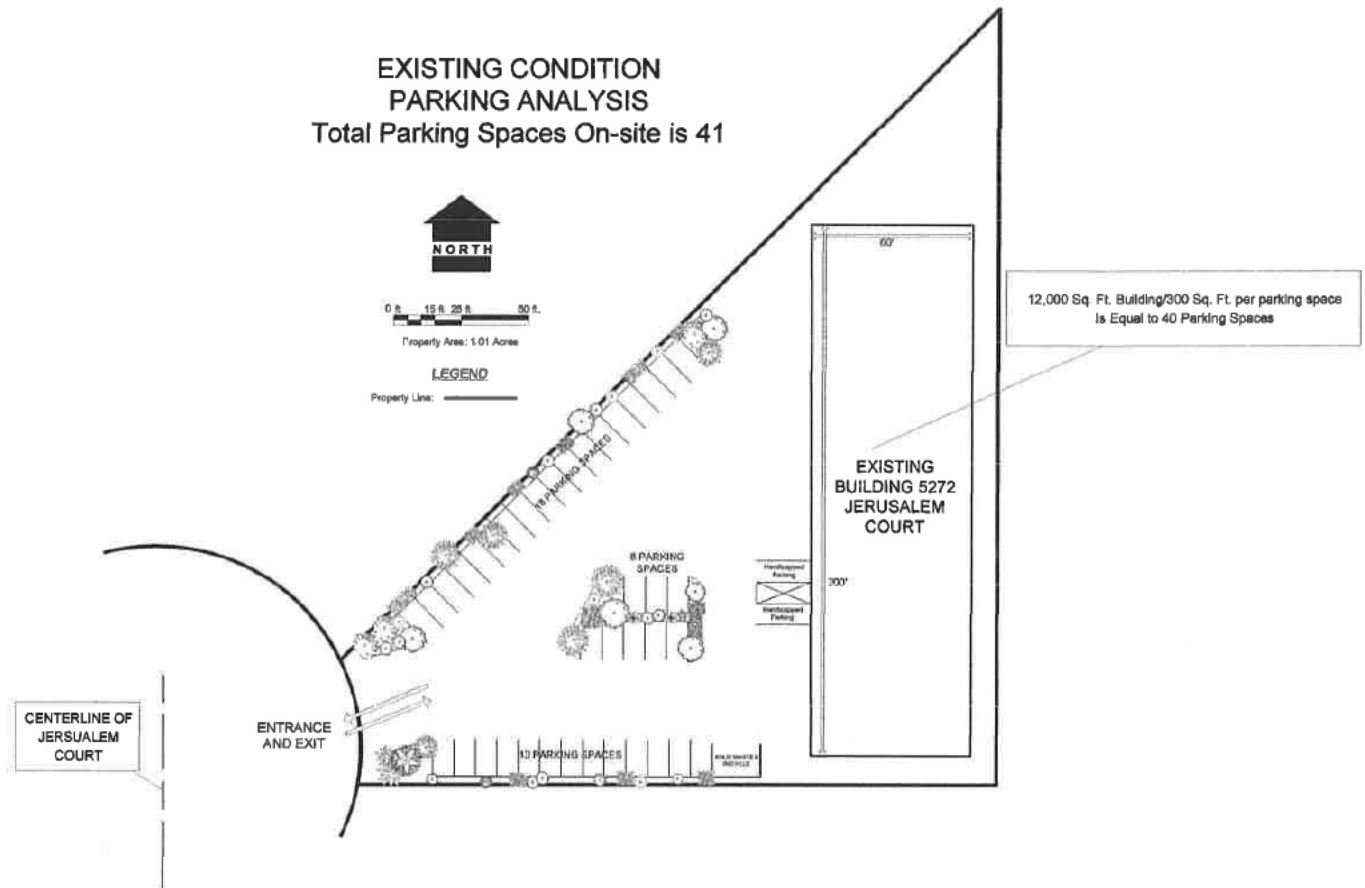
-  Project Site
-  Road



Source: Planning Department GIS Date: 9/19/2019



**EXISTING CONDITION
PARKING ANALYSIS**
Total Parking Spaces On-site is 41





Stanislaus, County Recorder
Donna Linder Co Recorder Office
DOC- 2020-0004472-00

Thursday, JAN 23, 2020 08:23:27
Ttl Pd \$0.00 Rcpt # 0004380810
SCT/R2/1-43

RECORDING REQUESTED BY:

**COUNTY OF STANISLAUS
BOARD OF SUPERVISORS**

When Recorded Mail To:

County of Stanislaus
Department of Planning & Community Development
1010 10th Street, Suite 3400
Modesto, CA 95354

Fee Waived per GC 27383

Space above this line for

Recorder's use

DEVELOPMENT AGREEMENT

BETWEEN THE

COUNTY OF STANISLAUS

AND

NATURAL REMEDIES CONSULTING, INC.
5272 JERUSALEM COURT, MODESTO

435T

THIS DEVELOPMENT AGREEMENT (this "Agreement" or this "Development Agreement") is made and entered in the County of Stanislaus on this 17th day of December, 2019, by and between Stanislaus County, a body corporate and a political subdivision of the State of California (hereafter "County") and Natural Remedies Consulting, Inc., a California Corporation (hereafter "Permittee") pursuant to the authority of §§ 65864 *et seq.*, of the California Government Code and Stanislaus County Code, Title 22. County and Permittee are, from time-to-time, individually referred to in this Agreement as a "Party," and are collectively referred to as "Parties."

List of Attachments:

Attachment A "Project Description"

Attachment B "Legal Description/Property Description"

Attachment C "Floor/Site Plan"

Attachment D "Operating Conditions"

Attachment E "Community Benefits"

Attachment F "Lease"

Attachment G "Development Schedule"

RECITALS

A. The Legislature of the State of California adopted the Development Agreement Act, Government Code §§65864 *et seq.*, which authorizes the County to enter into a property development agreement with any person having legal or equitable interest in real property for development of such property.

B. Pursuant to the Development Agreement Act, the County adopted the Development Agreement Ordinance, Title 22 of the Stanislaus County Code (hereafter "Title 22"), establishing procedures and requirements under which the County may enter into a Development Agreement for the development of real property with any person having a legal or equitable interest in such property in order to establish certain development rights in such property.

C. Permittee retains a legal or equitable interest in certain real property located at 5272 Jerusalem Court., in the Modesto area, California, also known as Stanislaus County Assessor Parcel Number 004-065-019 and that is more particularly described in Attachment B attached hereto and is incorporated herein by reference. ("the Property") Permittee has leased the Property for the purpose of carrying out the Project from the

owner Charlie Menghetti, ("Property Owner"). A copy of the lease is attached hereto as Attachment F.

D. Chapter 6.78 of the Stanislaus County Code (hereafter "Chapter 6.78") establishes a regulatory permit for Commercial Cannabis Activities ("Commercial Cannabis Activities Permit") and prohibits all Commercial Cannabis Activities in all zoning areas without first obtaining a permit.

E. Permittee proposes to develop the Property to be used for the commercial cannabis activity described in Attachment A ("the Project").

F. To ensure that the County remains responsive and accountable to its residents while pursuing the benefits of this development agreement, the County accepts the restraints on its police powers contained in this Agreement only to the extent and for the duration required to achieve the County's objectives and to offset such restraints, seeks public benefits from the Permittee that go beyond those obtained by traditional County controls and conditions imposed on development project applications.

G. The County Board of Supervisors has found that, among other things, this Development Agreement is consistent with its General Plan and has been reviewed and evaluated in accordance with the Development Agreement Statute and Title 22.

H. County and Permittee desire the timely, efficient, orderly and proper development of the Project.

I. County and Permittee have reached agreement and desire to express herein a Development Agreement that shall facilitate development of the Project in conformance with Title 22 and subject to conditions set forth herein.

J. In addition, the parties intend that this Agreement satisfy the requirements of Chapter 6.78, which requires those operating a commercial cannabis activity to enter into a "development agreement" setting forth "the terms and conditions under which the Commercial Cannabis Activity will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare."

K. On November 21, 2019, the Stanislaus County Planning Commission, serving as the planning agency for purposes of Government Code section 65867, held a duly noticed public hearing on this Agreement and Related Project Approvals. Following the public hearing, the Planning Commission, determined that the Project, the Initial Project Approvals, and the Agreement are, as a whole and taken in their entirety, consistent with the County's General Plan and the Zoning Code. The Planning Commission recommended approval of the Project, including this Agreement, to the Board of Supervisors.

L. On December 17, 2019, the County Board of Supervisors of the County of Stanislaus having receive the recommendations of the Planning commission, held a duly

notice public hearing on this Agreement and the related initial Project Approvals. Following the public hearing, the board adopted Ordinance No. C.S.1264 (the "Enacting Ordinance"), approving this Agreement and authorizing the Chairman of the Board of Supervisors to execute this Agreement and found that the Agreement is consistent with the General Plan and Zoning Code in accordance with Government Code section 65867.5 and determined that the Project as defined herein required no further analysis under CEQA, pursuant to CEQA Guidelines Section 15183 (Consistency with a General Plan or Zoning for which an EIR was prepared).

M. Permittee will implement public benefits, above and beyond the necessary mitigation for the Project, including the creation of new jobs, funding for various community improvements, and payment of the benefit fees as set forth in this Agreement and these public benefits serve as the consideration upon which the County bases its decision to enter into this Agreement.

NOW, THEREFORE, with reference to the foregoing recitals and in consideration of the mutual promises, obligations and covenants herein contained, County and Permittee agree as follows:

AGREEMENT

1. Incorporation of Recitals. The Recitals and all defined terms set forth above are hereby incorporated into this Agreement as if set forth herein in full.
2. Definitions.
 - 2.1. "Agreement" means this Development Agreement and all amendments and modifications thereto.
 - 2.2. "Enacting Ordinance" means Ordinance No. C.S.1262 adopted by the Board of Supervisors on December 17, 2019, approving this Agreement and authorizing the Chairman of the Board of Supervisors to execute this Agreement.
 - 2.3. "Initial Project Approvals" means those land use approvals and entitlements relating to the Project that were approved by the Board of Supervisors concurrently with this Agreement, which include the Use Permit, and CEQA determination.
 - 2.4. "Regulatory Permit" means the permit required by Stanislaus County Code Chapter 6.78 to conduct Commercial Cannabis Activities.
 - 2.5. "Development Agreement Act" means Article 2.5 of Chapter 4 of Division 1 of Title 7 (section 65864 through 65869.5) of the California government Code.
 - 2.6. "Development Agreement Ordinance" means Title 22 of the Stanislaus County Code.

2.7. "Effective Date" is the date on which the Agreement shall be effective in accordance with section 7.1 hereof.

2.8. "Rules, Regulations and Official Policies" means the County rules, regulations, ordinances, laws, and officially adopted policies governing development, including, without limitation, density and intensity of use, permitted uses, the maximum height and size of proposed buildings, the provision for the reservation or dedication of land, if any, for public purposes, the construction, installation, and extension of public improvements, environmental review, and other criteria relating to development or use of real property and which are generally applicable to the Property.

2.9. "Uniform Codes" means those building, electrical, mechanical, plumbing, fire, and other similar regulations of a Countywide adopted scope that are based on recommendations of the California Building Standards Commission and that become applicable throughout the County, such as, but not limited to, the California Uniform Building Code, the California Uniform Electrical Code, the California Uniform Mechanical Code, California Uniform Plumbing Code, or the California Uniform Fire Code (including those amendments to the promulgated California Uniform codes that reflect local modification adopted pursuant to the applicable process provided in state law for a local jurisdiction to modify such uniform codes and that are applicable Countywide).

3. Description of the Project. The Project consist of the use of the Property for the Commercial Cannabis Activities set forth in Attachment A attached hereto and in the Initial Project Approvals.
4. Description of Property. The Property that is the subject of this Agreement is described in Attachments B and C attached hereto.
5. Interest of Permittee. The Permittee has a legal interest in the Property in that it is the Lessee of the property.
6. Relationship of County and Permittee. It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by the County and Permittee and that the Permittee is not an agent of the County. The County and Permittee hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the County and Permittee joint venture's or partners.
7. Effective Date and Term.

7.1. Effective Date. The Effective Date of this Agreement shall be the date on which the Enacting Ordinance becomes effective. The Enacting Ordinance is effective 30 days after the date of approval ("the Effective Date").

7.2. Term. The term of this Agreement shall commence on the Effective Date and extend five (5) years thereafter, unless said term is otherwise terminated or amended by circumstances set forth in this Agreement or Permittee no longer has a legal interest in the property or has ceased operations on the property for a period of 30 consecutive days.

8. Development of the Property.

8.1. Right to Develop. This Agreement is entered into by the Parties for the limited purpose of setting forth the terms concerning the development and use of the Property by Permittee for Commercial Cannabis Activities. Accordingly:

8.1.1. Vested Rights. Permittee waives any and all "vested rights" (as that term is used in California land use law) the Permittee may have or later acquire, in law or equity, concerning the Property or the Project except those specifically stated herein. Nothing contained in this Agreement, nor in any of the permits, approvals, plans, inspections, certificates, documents, licenses, or any other actions taken by the County regarding the Project shall be construed to grant Permittee any vesting of rights for future development or use of the Property or to conduct commercial cannabis activities except as specifically stated herein; and

8.1.2. Project Subject to Rules in Effect at Time of Development. Permittee agrees that any and all development and use of the Property shall be governed by the County's fees, taxes, rules, regulations, ordinances, laws, and officially adopted policies governing the development and use of the Property, including, without limitation, impact fees, processing fees, regulatory fees and permits, density and intensity of use, permitted uses, the maximum height and size of proposed buildings, the provision for the reservation or dedication of land, if any, for public purposes, the construction, installation, and extension of public improvements, environmental review, and other criteria relating to development or use of real property and which are generally applicable to the Property in effect at the time of the development or use.

8.1.3. New Rules and Regulations. During the term of this Agreement, the County may apply new or modified ordinances, resolutions, rules, regulations and official policies of the County to the Property to ensure that the operation of the Commercial Cannabis Activity is consistent with the protection of the health, safety and welfare of the community and will not adversely affect the surrounding uses.

8.1.4. Future Approvals. Nothing in this Agreement shall prevent the County from denying or conditionally approving any subsequent land use permit or authorization for the Project on the basis of such new or modified ordinances, resolutions, rules, regulations and policies except that such subsequent actions shall be subject to any conditions, terms, restrictions,

and requirements expressly set forth herein.

8.1.5. Application of State and Local Regulatory Laws Governing Commercial Cannabis Activities. The operation of Commercial Cannabis Activities is a highly regulated business activity, and it is subject to various state and local laws and regulations. This Agreement does not, and the County cannot and does not intend to, give Permittee the right to continue its operations without complying with applicable state and local laws governing its operations. Permittee shall be responsible for obtaining all applicable state permits, approvals and consents, even if the applicable state laws and regulations are altered following the Effective Date.

8.1.6. Uniform Codes Applicable. The Project shall be constructed in accordance with the provisions of the California Building, Mechanical, Plumbing, Electrical and Fire Codes and Title 24 of the California Code of Regulations, relating to Building Standards, in effect at the time of approval of the appropriate building, grading, or other construction permits for the Project.

8.1.7. Maintaining Regulatory Permit. Permittee shall continuously maintain its Regulatory Permit. Permittee agrees that it has an obligation to annually renew its Regulatory Permit pursuant to the terms of Stanislaus County Code Chapter 6.78. Nothing in this Agreement shall prevent the County from denying or conditionally approving the renewal of a Commercial Cannabis Business Regulatory Permit, revoking such permit, or amending Chapter 6.78 or its implementing regulations in a manner that would impose stricter requirements on existing or to-be-issued Regulatory Permits.

8.1.8. Timing of Development. Permittee shall complete Project improvements pursuant to the schedule set forth in Attachment G of this Agreement.

8.2. Permitted Uses. The permitted uses of the Property, the density and intensity of use, the maximum height, bulk and size of proposed buildings, provisions for reservation or dedication of land for public purposes and location and maintenance of on-site and off-site improvements, and other terms and conditions of development applicable to the Property, shall be those set forth in this Agreement, the Initial Project Approvals, any amendments to this Agreement, and any subsequent land use entitlements.

8.2.1. Although Chapter 6.78 - Commercial Cannabis Activities, of the Stanislaus County Code does not specifically identify Commercial Cannabis Activities as allowed uses in any specific zoning district, Stanislaus County Code Title 21 identifies zoning districts where commercial cannabis activities are permitted, when a Use Permit is obtained.

9. Public Benefits

9.1. Community Benefits. Permittee shall perform the Community Benefits identified in Attachment E to the Agreement.

10. Fees & Subsequently Enacted or Revised Fees, Assessments and Taxes.

10.1. Fees. Permittee agrees to pay all permit fees and charges required by Stanislaus County, including but not limited to permit application and permit issuance fees, annual operating fees, amended registration fees, and regulatory renewal fees. Permittee shall pay such fees in an amount determined by the County Board of Supervisors.

10.2. Amended Application Fees. Any existing application, processing, renewal and registration fees that are amended during the term of this Agreement shall apply to the Project.

10.3. New Taxes. Any subsequently enacted County taxes shall apply to the Project.

10.4. Assessments. Nothing herein shall be construed to relieve the Property from assessments levied against it by the County pursuant to any statutory procedure for the assessment of property to pay for infrastructure and/or services which benefit the Property.

10.5. Vote on Future Assessments and Fees. In the event that any assessment, fee or charge which is applicable to the Property is subject to Article XIID of the Constitution and Permittee does not return its ballot, Permittee agrees, on behalf of itself and its successors that the County may count Permittee's ballot as affirmatively voting in favor of such assessment, fee or charge.

11. Compliance with Chapter 6.78 of the Stanislaus County Code.

11.1. The parties intend this Agreement as the instrument to satisfy the requirements of Stanislaus County Code section 6.78.060 (A)(2), which provides as follows:

"Development Agreement. Prior to operating in the county and as a condition of issuance of the CCA permit, the permittee of each commercial cannabis activity shall enter into a development agreement, as specified in Title 22 of the Stanislaus County Code, with the county setting forth the terms and conditions under which the commercial cannabis activity will operate that are in addition to the requirements of this chapter, and such other terms and conditions that will protect and promote the public health, safety and welfare."

12. Compliance with Conditions of Approval and Regulatory Permits.

12.1. Permittee agrees to operate the Commercial Cannabis Activity on the Property pursuant to the terms and conditions set forth in the Operating Conditions attached hereto as Attachment D and incorporated herein by reference. Failure to strictly comply with the terms and conditions of the Operating Conditions shall constitute a default under this Agreement, which shall be subject to termination pursuant to paragraph 15 below.

12.2. Permittee agrees that its failure to strictly comply with all the requirements set out in Attachment D shall be a material breach of this agreement and subject to default under paragraph 15 below.

12.3. The provisions of this Agreement require a close degree of cooperation between County and Permittee. It is anticipated during the term of this Agreement that refinements to the manner in which the Permittee operates may be appropriate with respect to the Project. To the extent allowable by law, the Parties shall retain a certain degree of flexibility as provided herein with respect to all matters, items and provisions covered in general under this Agreement. When and if the Parties find it necessary or appropriate to make changes, adjustments or clarifications, the Parties shall enter into memoranda ("Operating Memoranda") approved by the Parties in writing, which reference this Section of the Agreement. Operating Memoranda are not intended to constitute an amendment to this Agreement but mere ministerial clarifications; therefore, public notices and hearings shall not be required. The Stanislaus County Chief Executive Officer shall be authorized upon consultation with the County Counsel, to determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute an amendment to the Agreement which requires compliance with the provision of this Agreement pertaining to amendments. The authority to enter into such Operating Memoranda is hereby delegated to the Chief Executive Officer, who is hereby authorized to execute any Operating Memoranda hereunder without further Board of Supervisor action.

13. Amendment or Cancellation.

13.1. Amendment Because of Conflict with State or Federal Laws. In the event that state or federal laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the County, the parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such federal or state law or regulation. Any such amendment or suspension of the Agreement shall be subject to approval by the County Board of Supervisors in accordance with Stanislaus County Code, Title 22.

13.2. Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the parties hereto and in accordance with the procedures of State law and permitted uses.

13.3. Insubstantial Amendments. Notwithstanding the provisions of the preceding Section 13.2, any amendments to this Agreement which do not relate to (a) the term of the Agreement; (b) the permitted uses of the Property; (c) provisions for "significant" reservation or dedication of land; (d) conditions, terms, restrictions or requirements for subsequent discretionary actions; (e) the density or intensity of use of the Project; (f) the maximum height or size of proposed buildings; or (g) monetary contributions by Permittee as provided in this Agreement, shall not, except to the extent otherwise required by law, require notice or public hearing before either the Planning Commission or the County Board of Supervisors before the parties may execute an amendment hereto. The County Chief Executive Officer, or his/her designee, shall determine whether a reservation or dedication is "significant".

13.4. Amendment of Project Approvals. Any amendment of Project Approvals relating to: (a) the permitted use of the Property; (b) provision for reservation or dedication of land; (c) conditions, terms, restrictions or requirements for subsequent discretionary actions; (d) the density or intensity of use of the Project; (e) the maximum height or size of proposed buildings; (f) monetary contributions by the Permittee; or (g) public improvements to be constructed by Permittee shall require an amendment of this Agreement. Such amendment shall be limited to those provisions of this Agreement which are implicated by the amendment of the Project Approval. Any other amendment of the Project Approvals, or any of them, shall not require amendment of this Agreement unless the amendment of the Project Approval(s) relates specifically to some provision of this Agreement.

14. Annual Review.

14.1. Review Date. Annual review of the Property Owner's good faith compliance with the terms of this Agreement shall take place on an annual basis beginning 12 months after the Effective Date of this Agreement and continuing to occur annually thereafter on the yearly anniversary of the Effective Date ("Annual Review") until termination of the Agreement.

14.2. Initiation of Review. The County Chief Executive Officer, or designee, shall initiate the annual review, as required under Chapter 22.07 of the Stanislaus County Code, by giving to Permittee thirty (30) days written notice that the County intends to undertake such review. Permittee shall provide evidence to the County Chief Executive Officer, or designee, prior to the hearing on the annual review, as and when reasonably determined necessary by the County Chief Executive Officer, or designee, to demonstrate good faith compliance with the provisions of the Agreement. The burden of proof by substantial evidence of compliance is upon the Permittee.

14.2.1. Appeal of the Chief Executive Officer's, or designee's, findings regarding compliance shall be made in accordance with Stanislaus County

Chapter 22.07, except that the County Chief Executive Officer, or designee, shall replace all instances where the planning director is indicated.

14.3. Staff Reports. To the extent practical, the County shall deposit in the mail and fax to Permittee a copy of all staff reports, and related Attachments concerning contract performance at least ten (10) days prior to any annual review.

14.4. Costs. Costs reasonably incurred by the County in connection with the annual review shall be paid by Permittee in accordance with the County's schedule of fees in effect at the time of review.

15. Default.

15.1. Permittee's Default. The occurrence of any of the following shall constitute a default by Permittee under this Agreement.

15.1.1. Failure or unreasonable delay to perform any material provision of this Agreement.

15.1.2. Permittee's failure to pay when due any fee, tax, or payment required to be paid under this Agreement, County Ordinance or Resolution, or California State Law, if the failure to pay continues for three (3) days after written notice of the failure from County.

15.1.3. Permittee's abandonment of the Property, including Permittee's absence from the Property for thirty 30 consecutive days.

15.1.4. Permittee's failure to strictly comply with all the requirements set out in Attachment D.

15.1.5. Permittee's failure to make the contributions or community Benefit Rate Payments set out in Attachment E.

15.2. County's Default. Failure to perform any material provision of this agreement, or any intentional or unreasonable delay to perform or in performance of any material provision of this Agreement.

15.3. Other Remedies Available. Upon the occurrence of an event of default, the parties may pursue all other remedies at law or in equity which are not otherwise provided for in this Agreement or in the County's regulations governing development agreements, expressly including the remedy of specific performance of this Agreement.

15.4. Notice and Cure. Upon the occurrence of an event of default by either party, the non-defaulting party shall serve written notice of such default upon the defaulting party ("Notice of Default"). Failure to give notice shall not constitute a

waiver of any default. Upon delivery of notice, the parties shall meet and confer in good faith to address the alleged default and attempt to cure such default within a reasonable time or modify the Agreement to remedy such default.

15.5. Cure Period. The defaulting Party shall respond within 5 business days of the date of the Notice of Default, and shall provide reasonable evidence that it was never, in fact, in default or shall state that it will immediately commence to cure the identified default and shall cure the identified default within 30 days of the Notice of Default, unless the Parties extend such time by mutual written consent. In the case of a dispute as to whether a default exist or whether the defaulting Party has cured the default, the Parties may submit the matter to dispute resolution pursuant to section 16 of this Agreement.

15.6. Remedies for Default.

15.6.1. Permittee Default; If the Permittee remains in default after the cure period, and the alleged default is not the subject of a dispute resolution pursuant to Section 16 of this Agreement, the County shall have all rights and remedies provided by this Agreement, including, without limitation, the right to terminate or modify this Agreement subject to the provisions set forth below. The County shall, in addition to any other remedy available at law or in equity, also have the right to compel specific performance of the obligations of Property Owner under this Agreement, including, without limitation, the right to compel specific performance of the Community Benefits set forth in Attachment E to this Agreement.

15.6.2. Termination or Modification. If the Director of Planning finds and determines that Permittee remains in default after the cure period, if the alleged default is not the subject of dispute resolution pursuant to Section 16 of this Agreement, and if the County intends to terminate or modify this Agreement, the Director of Planning shall set the matter for a hearing by the Planning Commission in accordance with the provisions of the Development Agreement Ordinance (County Code Chapter 22.08). If after such public hearing, the Planning Commission finds that Property Owner is in violation of this Agreement, the Planning Commission shall notify the Board of Supervisors of its findings and recommend such action as it deems appropriate. If the Planning Commission reports a violation of the Development Agreement to the Board of Supervisors pursuant to this Section, the Board of Supervisors may take one of the following actions: (a) approve the recommendation of the Planning Commission instructing that action be taken as indicated therein in cases other than a recommendation to terminate or modify the Agreement; (b) refer the matter back to the Planning Commission for further proceedings with or without instructions; or (c) schedule the matter for hearing before the Board of Supervisors if termination or modification of the Agreement is recommended. There shall be no termination or modifications of this Agreement unless the Board of Supervisors acts pursuant to the provisions set forth in Government Code

Sections 65865.1, et seq., and Stanislaus County Code chapter 22.08. Pursuant to Government Code §65865., if as a result of the Annual Review, the County determines, on the basis of substantial evidence, that Permittee has not complied in good faith with terms or conditions of this Agreement, the County may terminate or modify the Agreement; provided, however, that if Permittee does not agree to the modification the County's only remedy shall be to terminate the Agreement. Further, if the County seeks to terminate or modify the Agreement for any other reason, such action shall be subject to the requirements of Government Code § 65868, including the requirement for the mutual consent of the Parties.

15.6.3. County Default. If the County remains in default after the cure period and the alleged default is not the subject of dispute resolution pursuant to Section 16 of this Agreement, Permittee shall have all rights and remedies provided by this Agreement, including, without limitation, the right to compel specific performance of the County's obligations under this Agreement. Permittee also has the right to initiate amendment or cancellation of this Agreement subject to the provisions set forth in the Development Agreement Act and Development Agreement Ordinance, which include, but are not limited to, the requirement for mutual consent of the Parties to the amendment or cancellation.

15.6.4. No Monetary Damages Against County. Notwithstanding anything to the contrary contained herein, in no event shall monetary damages be awarded against the County upon an event of default or upon termination of this Agreement.

16. Dispute Resolution. In addition to, and not by way of limitation of, all other remedies available to the Parties under the terms of this Agreement, the Parties may choose to use the informal dispute resolution and/or arbitration processes in this Section.

16.1. Informal Dispute Resolution Process. The Parties may agree to informal dispute resolution proceedings to fairly and expeditiously resolve disputes related to the interpretation or enforcement of, or compliance with, the provision of this Agreement ("Disputes"). These dispute resolution proceedings may include: (a) procedures developed by the County for expeditious interpretation of questions arising under development agreements; or (b) any other manner of dispute resolution that is mutually agreed upon by the Parties.

16.2. Non-Binding Arbitration. The Parties may agree to use nonbinding arbitration to resolve any Dispute arising under this Agreement. The arbitration shall be conducted by an arbitrator who must be a former judge of the Stanislaus County Superior Court, Appellate Justice of the Fifth District Court of Appeals, or Justice of the California Supreme Court. This arbitrator shall be selected by mutual agreement of the Parties.

16.3. Non-Binding Arbitration Procedures. Upon appointment of the arbitrator, the Dispute shall be set for arbitration at a time not less than thirty (30) nor more than ninety (90) days from the effective date of the appointment of the arbitrator. The arbitration shall be conducted under procedures that are mutually agreed upon by the Parties in writing prior to the commencement of arbitration.

17. Termination or cancellation. In addition to the procedures set forth in Section 15.6, above, this Agreement is also subject to the following termination provisions:

17.1. Termination Upon Expiration of Term. This Agreement shall terminate upon expiration of the Term set forth in Section 7.2 unless otherwise extended or modified by mutual consent of the Parties. Upon termination of this Agreement, the County Registrar-Recorder/County Clerk may cause a notice of such termination in a form satisfactory to the County to be duly recorded in the official records of the County.

17.2. Cancellation by Mutual Consent. This Agreement may be cancelled by mutual consent of the Parties, subject to the procedures set forth in the Development Agreement Act and the Development Agreement Ordinance.

17.3. Enforced Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where a delay is enforced due to: war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, third-party litigation, restrictions imposed or mandated by other governmental entities, enactment of conflicting state or federal laws or regulations, judicial decisions, or similar basis for excused performance that is not within the reasonable control of the Party to be excused, and the cause of the enforced delay actually prevents or unreasonably interferes with such Party's ability to comply with this Agreement; provided, however, that the Parties agree that a delay that results solely from unforeseen economic circumstances shall not constitute an enforced delay for purposes of this Section. This Section shall not be applicable to any proceedings with respect to bankruptcy or receivership initiated by or on behalf of Permittee, or by any third parties against Permittee if such third-party proceedings are not dismissed within ninety (90) days. If written notice of an enforced delay is given to either Party within forty-five (45) days of the commencement of such enforced delay, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

18. Estoppel Certificate.

18.1. Either party may, at any time, and from time to time, request written notice from the other party requesting such party to certify in writing that, (a) this Agreement is in full force and effect and a binding obligation of the parties, (b) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (c) to the knowledge of the certifying party the requesting party is not in default in the performance of its obligations

under this Agreement, or if in default, to describe therein the nature and amount of any such defaults. A party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof, or such longer period as may reasonably be agreed to by the parties. Chief Executive Officer of the County shall be authorized to execute any certificate requested by Permittee. Should the party receiving the request not execute and return such certificate within the applicable period, this shall not be deemed to be a default, provided that such party shall be deemed to have certified that the statements in clauses (a) through (c) of this section are true, and any party may rely on such deemed certification.

19. Severability.

19.1. The unenforceability, invalidity or illegality of any provisions, covenant, condition or term of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

20. Attorneys' Fees and Costs.

20.1. If the County or Permittee initiates any action at law or in equity to enforce or interpret the terms and conditions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs in addition to any other relief to which it may otherwise be entitled. If any person or entity not a party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement or the Project Approvals, the parties shall cooperate in defending such action. Permittee shall bear its own costs of defense as a real party in interest in any such action and shall reimburse the County for all reasonable court costs and attorneys' fees expended by the County in defense of any such action or other proceeding.

21. Transfers and Assignments.

21.1. The Permittee shall not transfer, delegate, or assign its interest, rights, duties, and obligations under this Agreement without the prior written consent of the County. Any assignment, delegation, or assignment without the prior written County consent of the other parties to this Agreement shall be null and void. Any transfer, delegation, or assignment by the Permittee as authorized herein shall be effective only if and upon the party to whom such transfer, delegation, or assignment is made is issued a Regulatory Permit as required under chapter 6.78 of the Stanislaus County Code.

21.2. No change in Permittee's ownership or in the composition of the Permittee's ownership shall be made, and no transfer or sub-lease of the lease Agreement shall be made, without providing the County with 30 days prior written notice. If the change, transfer or sub-lease changes Control over the use of the Property, the operations of Permittee, or the actions or activities of Permittee, then the prior

written consent of the County must be obtained 30 days before the change, transfer or sub-lease.

21.3. Notwithstanding the above, the County Chief Executive Officer (CEO) shall evaluate in good faith any request for a transfer of rights to a third party under this Agreement, and shall not unreasonably withhold approval of such request. The CEO's evaluation may take into consideration the experience of and resources available to the prospective transferee relative to their ability to competently assume the commercial cannabis business operation, and applicable background information of the third party, including but not limited to a background check for criminal activity, a history of legal actions such as filing for bankruptcy, civil lawsuits involving claims of fraud or related actions. Additionally, the CEO may, at his or her discretion, deny a transfer request for any of the reasons contemplated in California Code of Regulations, tit. 16, sections 5017-5018.

21.3.1. Successor in Interest. Permittee shall have the right to name a successor in interest who may assume ownership of the Cannabis Business Project and permits thereunder in the event of the permittee or its principal's death or incapacity, provided the CEO has conducted a background check of the named successor in interest, subject to the provisions for assignments to third parties set forth above, and there are no issues related to his or her background that would preclude eligibility to operate the Cannabis Business Project. Permittee shall designate its successor in interest in writing and provide notice to the County as set forth below.

22. Bankruptcy.

The obligations of this Agreement shall not be dischargeable in bankruptcy.

23. Indemnification.

23.1. Permittee hereby agrees to and shall indemnify, save, hold harmless, and, if requested by the County, defend the County from any claim, action, or proceeding brought by a third party (i) to challenge, attack, set aside, void, or annul this Agreement or the Initial Project Approvals, or (ii) for claims, costs, and liability for any damages, personal injury, or death, which may arise in connection with The Project or this Agreement. Directly or indirectly from the negotiation, formation, execution, enforcement, or termination of this Agreement. Nothing in this Section shall be construed to mean that Permittee shall hold the County harmless and/or defend it from any claims arising from, or alleged to arise from, the negligent acts, negligent failure to act, or intentional acts on the part of the County. The County agrees that it shall reasonably cooperate with Permittee in the defense of any matter in which Permittee is defending, indemnifying, and/or holding the County harmless. The County may make all reasonable decisions with respect to its representation in any legal proceeding. In the event any claim, action, or proceeding as described above is filed by a third party against the County, Permittee shall, within 10 days of being notified of the filing, make an initial deposit

with the County in the amount of \$5,000, from which actual costs and expenses shall be billed and deducted for purposes of defraying the costs and/or expenses involved in the County's cooperation in the defense, including, but not limited to, depositions, testimony, and other assistance provided to Permittee or Permittee's counsel. If during the litigation process actual costs or expenses incurred reach 80 percent of the amount on deposit, Permittee shall deposit additional funds to bring the balance up to the amount of \$5,000. There is no limit to the number of supplemental deposits that may be required during the course of litigation. At the sole discretion of Permittee, the amount of the initial or any supplemental deposit may exceed the minimum amounts specified herein. Additionally, the cost for collection and duplication of records, including the reasonable costs of staff time necessary to collect, review, and/or duplicate such records in connection with the preparation of any administrative record or otherwise in relation to litigation, shall be paid by Permittee. Upon Permittee's initial \$5,000.00 deposit to cover the County's costs and expenses pursuant to this section, Permittee shall have the right to a monthly, itemized accounting of such expenses, which County shall provide upon Permittee's request within 5 days of such request, but no sooner than 30 days after Permittee's initial deposit.

24. Insurance.

24.1. Public Liability and Property Damage Insurance. During the term of this Agreement, Permittee shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of not less than two million dollars (\$2,000,000.00) with a one hundred thousand dollar (\$100,000) self-insurance retention per claim. The policy so maintained by Permittee shall name the County as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

24.2. Workers Compensation Insurance. During the term of this Agreement Permittee shall maintain Worker's Compensation insurance for all persons employed by Permittee for work at the Project site. Permittee shall require each contractor and subcontractor similarly to provide Worker's Compensation insurance for its respective employees. Permittee agrees to indemnify the County for any damage resulting from Permittee's failure to maintain any such insurance.

24.3. Evidence of Insurance. Prior to the County Board of Supervisors approval of this Agreement, Permittee shall furnish the County satisfactory evidence of the insurance required in Sections 24.1 and 24.2 and evidence that the carrier is required to give the County at least fifteen days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the County, its elective and appointive boards, commissions, officers, agents, employees and representatives and to Permittee performing work on the Project.

25. Notices.

25.1. All notices required or provided for under this Agreement shall be in writing. Notices required to be given to the County shall be addressed as follows:

County Chief Executive Officer
County of Stanislaus
1010 10th Street, Suite 6800
Modesto, CA 95354

Notices required to be given to Permittee shall be addressed as follows:

Natural Remedies Consulting, Inc.
2824 Sierra Gold Way
Riverbank, CA 95367
ATTN: Cheryl King

A party may change address by giving notice in writing to the other party and thereafter all notices shall be addressed and transmitted to the new address. Notices shall be deemed given and received upon personal delivery, or if mailed, upon the expiration of 48 hours after being deposited in the United States Mail. Notices may also be given by overnight courier which shall be deemed given the following day or by facsimile transmission which shall be deemed given upon verification of receipt.

26. Agreement is Entire Understanding.

This Agreement constitutes the entire understanding and agreement of the parties.

27. Attachments.

The following documents are referred to in this Agreement and are attached hereto and incorporated herein as though set forth in full:

Attachment A "Project Description"
Attachment B "Legal Description/Property Description"
Attachment C "Floor/Site Plan"
Attachment D "Operating Conditions"
Attachment E "Community Benefits"
Attachment F "Lease"

28. Counterparts.

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original.

29. Recordation.

The County shall record a copy of this Agreement within ten (10) days following execution by all parties.

[Signature Page Follows]


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

COUNTY

PERMITTEE

County of Stanislaus

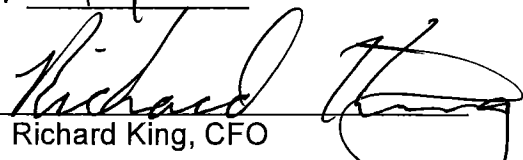
Natural Remedies Consulting, Inc.

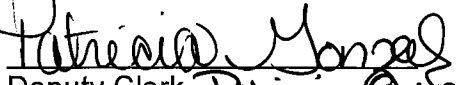
By: 
Terrance Withrow
Chairman of the Board of Supervisors

By: 
Cheryl King, CEO

Dated: 12/2/19

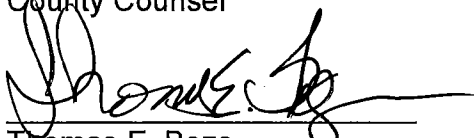
Attest:
Clerk of the Board of Supervisors

By: 
Richard King, CFO


Deputy Clerk Patricia Gonzalez

Dated: 12-2-19

Approved as to form:
Thomas E. Boze
County Counsel


Thomas E. Boze

(NOTARIZATION ATTACHED)

CALIFORNIA ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Stanislaus }

On December 2, 2019 before me, Karyn A. Watson, Notary Public
(Here Insert name and title of the officer)

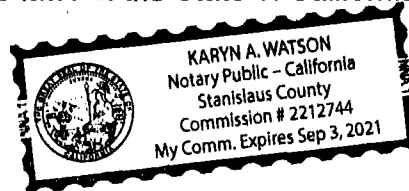
personally appeared Cheryl King and Richard King,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Karyn A. Watson
 Notary Public Signature

(Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Development Agreement
(Title or description of attached document)
Natural Remedies Consulting
(Title or description of attached document continued)

Number of Pages — Document Date 12-2-19

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer
CEO & CFO
(Title)
- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/~~they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

CALIFORNIA ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Stanislaus }

On January 17, 2020 before me, Karyn A. Watson, Notary Public,
(Here insert name and title of the officer)

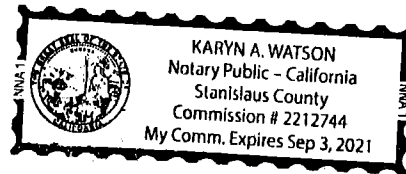
personally appeared Terrance Withrow,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Notary Public Signature

(Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Development Agreement
(Title or description of attached document)

Natural Remedies
(Title or description of attached document continued)

Number of Pages Document Date 12/2/19

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other Chairman of B.O.S.

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

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 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

ATTACHMENT A

PROJECT DESCRIPTION

Project Description: To establish an indoor commercial cannabis cultivation, manufacturing (non-volatile), retail and distribution operation in an existing 12,000 square foot warehouse building. Amend the General Plan and zoning designation of a 1.01-acre property from P-I to P-D (Planned Development) zoning district.

ATTACHMENT B

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California,
described as follows:

Parcel 8 as shown on that certain Parcel Map filed October 20,2000 in
Volume 50 of Parcel Maps, at Page 59, Stanislaus County Records.

Attachment C – Floor Plan has been intentionally removed.

Attachment C – Floor Plan is available for review upon request. To request the document please send an email to Planning@stancounty.com or call (209) 525-6330. The document is also available for review in person at 1010 10th Street, Suite 3400, Modesto, CA 95355.

ATTACHMENT D

OPERATING CONDITIONS

1. Compliance with Laws. Permittee shall operate in accordance with all applicable State and local laws, and any regulations promulgated thereunder.
2. Compliance with Conditions of Approval/Development Standards/Mitigation Measures. Permittee shall operate in compliance with all conditions of approval/development standards/mitigation measures associated with the Initial Project Approvals and any subsequent approvals issued by the County or any other regulatory agency.
3. Compliance with License Regulations. Permittee shall operate in strict compliance with the regulations contained in Chapter 6.78 of the Stanislaus County Code.

ATTACHMENT E

COMMUNITY BENEFITS

Permittee agrees that its participation in commercial cannabis activities negatively impacts the residents of Stanislaus County and that by entering into this Development Agreement Permittee is agreeing to contribute greater public benefits than could otherwise be required and that Permittee does so freely and with full knowledge and consent.

Permittee agrees to provide the following public benefits and specifically consents to the payment or provision of these public benefits. Permittee agrees that these public benefits are not a tax and do not constitute a taking of Permittee's property for the public's benefit and Permittee waives any and all claims, actions, causes of action, liabilities, damages, demands, attorneys' fees, expenses and costs (including without limitation court costs) of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, which may arise by reason of payment or provision of the community benefits stated herein.

A. Community Benefit Contribution.

Permittee shall pay to the County a Community Benefit Contribution in the amount of \$23,250 in 2019; \$50,000 in 2020, \$53,500 in 2021, \$57,000 in 2022, and \$65,500 in 2023. Permittee shall deliver the Community Benefit Contribution in quarterly installments in the same manner as Benefit Rate Payments described in section B.

The Community Benefit Contribution may be used for the general governmental purposes of the County and not for the purposes of regulation or of raising revenues for regulatory purposes. All of the Community Benefit Contribution proceeds received from Permittee shall be placed in the County's general fund and used for the usual current expenses of the County and is a separate and distinct payment from the Community Benefit Rate Payment below. The County intends, but is not obligated, to distribute these funds to local community charities for their use and for public improvement projects.

B. Community Benefit Rate Payments:

1. Permittee shall provide funding as described below for the general governmental purposes of the County, including the enforcement of illegal commercial cannabis activities, and not for the purposes of regulation or of raising revenues for regulatory purposes. All of the proceeds received from

Permittee shall be placed in the County's general fund and used for the usual current expenses of the County.

2. Definitions.

2.1. "Canopy" means all of the following:

2.1.1. The designated area(s) at a licensed premises that will contain cannabis plants at any point in time;

2.1.2. Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain cannabis plants at any point in time, including all of the space(s) within the boundaries;

2.1.3. Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least ten feet of open space; and

2.1.4. If cannabis plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.

2.2. "Designated area(s)" means the entirety of the enclosed area measured in square feet without regard to any portion of the enclosed area that does not or will not contain cannabis plants.

2.3. "Gross Receipts," except as otherwise specifically provided, means the total amount actually received or receivable from all sales or transfers; the total amount or compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized from trading in stocks or bonds, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

2.3.1. Cash discounts allowed and taken on sales;

2.3.2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as gross receipts;

2.3.3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

2.3.4. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

2.3.5. Receipts from investments where the holder of the investment receives only interest and/or dividends, royalties, annuities and gains from the sale or exchange of stock or securities solely for a person's own account, not derived in the ordinary course of a business;

2.3.6. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the Permittee in the regular course of the Permittee's business;

2.3.7. Cash value of sales, trades or transactions between departments or units of the same business;

2.3.8. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered;

2.3.9. Transactions between a partnership and its partners;

2.3.10. Receipts from services or sales in transactions between affiliated corporations. An affiliated corporation is a corporation:

A. The voting and nonvoting stock of which is owned at least 80 percent by such other corporation with which such transaction is had; or

B. Which owns at least 80 percent of the voting and nonvoting stock of such other corporation; or

C. At least 80 percent of the voting and nonvoting stock of which is owned by a common parent corporation which also has such ownership of the corporation with which such transaction is had.

2.3.11. Transactions between a limited liability company and its member(s), provided the limited liability company has elected to file as a Subchapter K entity under the Internal Revenue Code and that such transaction(s) shall be treated the same as between a partnership and its partner(s) as specified in subsection (E)(9) of this section;

2.3.12. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of \$1.00;

2.3.13. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

2.4. "Sell," "sale," and "to sell" include any transaction whereby, for any consideration, title to cannabis is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a licensee to the licensee from whom such cannabis or cannabis product was purchased.

3. Amount of Community Benefit Rate Payment.

3.1. Cultivation. Permittee's Annual Community Benefit Rate Payment shall be based on the greater of the active state, or local, permitted canopy, or actual canopy.

3.1.1. Community Benefit Rate Payment for Cultivation: For indoor cultivation activities Permittee shall pay the greater of the applicable annual rate per square foot of canopy set forth in Table 1 below or the amount stated in paragraph 3.1.2 below.

Table 1

<u>Annual Rate*</u>	<u>Area of Canopy</u>
\$30,000	Up to 5,000 sq.ft.
\$70,000	5,001 to 10,000 sq.ft.
\$176,000	10,001 to 22,000 sq.ft.

*Rate subject to CPI adjustment

3.1.2. Permittee shall pay to the County:

- A. \$15,000 to be paid no later than January 30, 2020.
- B. Subsequent years, \$30,000 each year to be paid in quarterly installments of \$7,500 and to be paid on April 30, July 30, October 30, and January 30.

3.2. Retail. Permittee shall pay the County:

3.2.1. In Year 2019, the greater of \$390,000 or 8% of Gross Receipts, to be paid in quarterly installments (April, July, and October payments) within 30 days of adoption and January 30.

3.2.2. Subsequent years to be paid in quarterly installments on April 30, July 30, October 30, and January 30, as follows:

- A. In Year 2020, the greater of \$410,000 or 8% of Gross Receipts;
- B. In Year 2021 the greater of \$430,000 or 8% of Gross Receipts;
- C. In Year 2022, the greater of \$450,000 or 8% of Gross Receipts;
- D. In Year 2023, the greater of \$470,000 or 8% of Gross Receipts.

3.2.3. Distribution. Permittee shall pay the County 0% of Gross Receipts for distribution of permittee's products and 3% of Gross Receipts of non-permittee's products to be paid in quarterly installments on July 30, October 30, and January 30 annually.

3.2.4. Manufacturing. Permittee shall pay the County 8% of Gross Receipts, and beginning in year 2023 the greater of \$50,000 or 8% of Gross Receipts.

4. Payment Location. Permittee shall make the Community Benefit Rate Payment at the Offices of the County Treasurer-Tax Collector. The Community Benefit Rate Payment may be paid in legal tender or in money receivable in payment of taxes by the United States. The County Treasurer-Tax Collector shall have the right to refuse the payment in coins. The County Treasurer-Tax Collector may, in his or her discretion, accept electronic funds transfers in payment of the Community Benefit Rate Payment in the same way it would accept the payment of taxes in accordance with section 2503.2 of the Revenue and Taxation Code.
5. Payment Due.
 - 5.1. The Community Benefit Rate Payment shall be due and payable as follows:
 - 5.1.1. Permittee shall on or before the last day of the period designated by and at the discretion of the County Treasurer-Tax Collector, prepare and deliver a Community Benefit Rate Payment statement to the County Treasurer-Tax Collector of the total gross receipts and the amount of Community Benefit Rate Payment owed for the preceding designated period. At the time the Community Benefit Rate Payment statement is filed, the full amount of the Community Benefit Rate Payment owed for the preceding designated period shall be remitted to the County Treasurer-Tax Collector.
 - 5.1.2. All Community Benefit Rate Payment statements shall be completed on forms provided by the County Treasurer-Tax Collector.
 - 5.1.3. Community Benefit Rate Payment statements and payments for all outstanding Community Benefit Rate Payment owed the County are immediately due to the County Treasurer-Tax Collector upon cessation of business for any reason.
6. Payments and Communications Made by Mail—Proof of Timely Submittal. Community Benefit Rate Payments made shall be deemed timely if submitted in accordance with Revenue and Taxation Code sections 2512 and 2513.
7. Payment—When Deemed Late.

- 7.1. The Community Benefit Rate Payments required to be paid pursuant to this Agreement shall be deemed late if not paid on or before the due date specified in this Attachment E.
- 7.2. The County is not required to send a late or other notice or bill to the Permittee.
8. Payment—Returned Checks. Whenever a check is submitted in payment of and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the Permittee, in addition to the amount due, pay a return check fee as established by the Board of Supervisors.
9. Payment —Interest on Late Payments. If Permittee fails to remit the Community Benefit Rate Payment at the time due shall pay interest at the rate of one-half of one percent per month or fraction thereof on the amount of the Community Benefit Rate Payment, from the date on which the remittance first became delinquent until paid. All such interest as accrues shall become a part of the Community Benefit Rate Payment required to be paid. Only payments for the full amount due shall be accepted. Partial payments shall not be accepted.
10. Refunds.
- 10.1. Whenever the amount of Community Benefit Rate Payment or interest has been overpaid, paid more than once, or has been erroneously collected or received by the County under this Agreement, it may be refunded to the Permittee; provided, that a written claim for refund is filed with the County Treasurer-Tax Collector within three years of the date the Community Benefit Rate Payment was originally due and payable.
- 10.2. The County Treasurer-Tax Collector or the County Treasurer-Tax Collector's authorized agent shall have the right to examine and audit all the books and business records of the Permittee in order to determine the eligibility of the Permittee to the claimed refund. No claim for refund shall be allowed if the Permittee refuses to allow such examination of Permittee's books and business records after request by the County Treasurer-Tax Collector to do so.
- 10.3. In the event that the Community Benefit Rate Payment was erroneously paid and the error is attributable to the County, the entire amount of the Community Benefit Rate Payment erroneously paid shall be refunded to the claimant. If the error is attributable to the Permittee, the County shall retain the amount set forth in the schedule of fees and charges

established by resolution of the Board of Supervisors from the amount to be refunded to cover expenses.

11. Audit and Examination of Records and Equipment.

11.1. The County Treasurer-Tax Collector shall have the power to audit and examine all books and records of the Permittee, including both State and Federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of the Permittee, and, where necessary, all equipment of Permittee, for the purpose of ascertaining the gross receipts to determine the amount of Community Benefit Rate Payment, if any, required to be paid by this Agreement, and for the purpose of verifying any statements or any item thereof when filed by the Permittee. If such person, after written demand by the County Treasurer-Tax Collector, refuses to make available for audit, examination or verification such books, records or equipment as the County Treasurer-Tax Collector requests, the County Treasurer-Tax Collector may, after full consideration of all information within his or her knowledge concerning the cannabis business and activities of the person so refusing, make an assessment in the manner provided in this Chapter of any Benefit Rate Payment estimated to be due.

11.2. Permittee shall keep and preserve, for a period of at least three years, all records as may be necessary to determine the amount of the Community Benefit Rate Payment, which records the County Treasurer-Tax Collector shall have the right to inspect at all reasonable times.

12. Deficiency Determination. If the County Treasurer-Tax Collector is not satisfied that any statement filed as required under the provisions of this Agreement is correct, or that the amount of Community Benefit Rate Payment is correctly computed, the Treasurer-Tax Collector may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in their possession or that may come into their possession within three years of the date the Community Benefit Rate Payment was originally due and payable. One or more deficiency determinations of the amount of Community Benefit Rate Payment due for a period or periods may be made. If Permittee discontinues the permitted commercial cannabis activity, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the Community Benefit Rate Payment would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the Permittee concerned in the same manner as notices under this Agreement.

13. Subsequently Enacted Tax. In the event Stanislaus County enacts a tax applicable to the Project following the execution of this agreement, Permittee's obligation to pay Community Benefit Rates under this Section shall be reduced by the amount to which Permittee would be obligated to pay under the subsequently enacted tax.

[End of Attachment E.]

ATTACHMENT F
LEASE

COMMERCIAL LEASE AGREEMENT

This agreement is between:

Tenant, Natural Remedies Consulting, a California Mutual Benefit Corporation ("Tenant")

and

Landlord, Vision Logistics and Management, a California Limited Liability Company ("Landlord").

BACKGROUND

Landlord is the owner of property (the "Property") identified by the following address or APN number:

5272 Jerusalem Court, Modesto, California 95356

The Property is located in Stanislaus County. Landlord and Tenant desire that Tenant lease the Property on the terms set out in this Agreement.

LANDLORD AND TENANT AGREE AS FOLLOWS:

1. Lease, Term and Rent

1.1 Landlord leases to Tenant the Property for the use set forth in Section 2.1.

1.2 **Term.** Tenant has the right to use the Property starting on May 1, 2019 ("start date") and shall continue for 5 years, ending at 11:59pm on the last day of the 5th year ("end date"). Tenant will have the entire Leasehold fully cleaned and vacated by the end date.

1.3 The Parties agree that this Lease agreement shall not run to the entire Property, but rather only the "Leasehold" areas defined as Suites B, C and D.

1.4 **Rent.** Tenant will pay Landlord rent as follows:

- \$24,000 per month, due on the 1st day of each month and late on the 5th day of each month.
- Late fees will become due at 12:01 am (1 minute after midnight) on the 6th day of each month.

Payment may be made in cash, certified check, money order, or any payment acceptable to Landlord, without deduction or offset.

1.5 **No Relationship beyond Landlord-Tenant.** Landlord and Tenant are in no way partners in Tenant's operations on the Property.

2. Use and Operations

2.1 **Tenant Use.** Tenant may use the Property only for commercial purposes. No residence for Tenant, Tenant's family, invitees, customers or guests is included in this agreement. Tenant may only use the Leasehold for activities directly related to the business of licensed cannabis activities, which Tenant has represented as its proposed commercial use and the purpose for obtaining its Agreement with Landlord.

2.2 **Practices.** Tenant will perform its operations on the Property in a timely, diligent, thorough, and businesslike manner in accordance with good business practices and established standards for Tenant's industry and/or business sector. Tenant will not to cause waste or damage to the Property or create a nuisance.

2.3 **Maintenance.** Tenant will maintain the Property in a good and organized condition, including, without limitation, free of trash, debris and unused equipment.

2.4 **Improvements.** Tenant may not install improvements on the Property without first obtaining Landlord's written approval.

2.5 **Management Responsibility.** Tenant is responsible for the planning, management, and carrying out of Tenant's operations on the Property. Tenant will pay all expenses, fees, and charges Tenant incurs in the process of maintaining and using the Property. Tenant is responsible for procuring necessary tools and equipment, and for hiring, monitoring, and paying for any employee Tenant uses on the Property. If the Landlord requests this information, Tenant will provide Landlord with the names and other information regarding any employee on the Property, and will provide background checks for any employee at Landlord's request. Such information will be provided at Tenant's expense.

2.6 **Storage.** Tenant may store on the Property equipment and other personal property used for normal operations under this Agreement. Tenant may not store any materials that may be hazardous or that may cause damage to the Property (other than fuel for equipment), or that are not used for such

operations. Tenant is responsible for the security of equipment, supplies or other personal property stored on the Property. Landlord will not be liable for any claims arising from the theft, loss or damage of personal property left or stored on the Property.

2.7 Compliance with Law. Tenant will at Tenant's expense comply with all laws, including, without limitation, environmental, labor and employment, and occupational safety laws, applicable to Tenant's operations on the Property.

2.7.1 Responsibility for costs of lawful operation. Tenant is responsible for all costs of business licensing, whether federal, state or local, including permit or license costs, agency compliance costs, and any code compliance costs relating to improvements made by Tenant to the Property. Failure to hold all required permits and other government permissions is a breach of this Agreement.

2.8 Prohibited Uses. Tenant may not conduct any activities on the Property not directly related to the Tenant's business on the Property as expressed in Section 2.1 of this Agreement, including, without limitation, allowing sales of goods not owned by Tenant, camping, cookouts, renting out for events, or engaging in or hosting other recreational or income-generating activities, or do any activity on the Property outside of normal activities of Tenant's business, without first obtaining Landlord's written approval. Landlord withhold such approval without limitation.

2.9 Inspection. Landlord may enter the Property at any reasonable time to inspect the Property and for the purpose of taking any other action Landlord believes is appropriate to confirm Tenant's compliance with this Agreement or protect Landlord's interest in the Property.

3. Water Use and Utilities

2.11 Utilities. Tenant is responsible for arranging for utilities and paying all utility costs relating to Tenant's use and possession of the Property, including, without limitation, water, gas, propane, waste removal, recycling, and garbage pickup. Any utilities provided by Landlord are not included in the rental price in Section 1.4 of this Agreement, and may be billed to Tenant at no more than 10% above the cost to Landlord for such Utilities, pro rated for Tenant's proportional use when possible.

3. Omitted Intentionally

4. Other Property Matters

4.1 No Representations. Landlord is not making any representations or warranties to Tenant about the Property including the suitability of the Property for Tenant's commercial activities. Tenant is responsible for making Tenant's own inspection of conditions on the Property and suitability of the Property before entering into this Agreement. Tenant accepts the Property on an "as-is" basis as of the date of occupancy, subject to any easements, servitudes, rights of way, or other land rights.

4.2 **Assignment, Subleasing, and Licensing.** Tenant may not assign, sublease, or license all or any part of the Property without first obtaining Landlord's written approval. Landlord will not unreasonably withhold such approval.

4.3 **Liens and Encumbrances.** Tenant will not incur, create, or assume any lien or encumbrance on any portion of the Property, including any mechanic's or materialmen's liens, except any liens or encumbrances created under this Agreement. Nothing in this Section 4.3 will prevent Tenant from entering into customary crop financing and other financing arrangements and granting security interests in Tenant's crops, inventory, equipment, supplies, and other assets.

4.4 **Taxes.** Tenant is responsible for all tax returns and payments arising from Tenant's occupation and use of the Property, including without limitation, income, sales, and personal property taxes. Landlord will pay real property taxes.

4.5 **Sale by Landlord.** If Landlord should sell or otherwise transfer title to the Property, Landlord will require the transferee to recognize and take the Property subject to this Agreement. Tenant will recognize the purchaser as the owner and take such actions to that end as are appropriate, including entering into an agreement in customary form in which the Tenant recognizes and attorns to the purchaser.

5. Indemnification, Release and Insurance

5.1 **Indemnification by Tenant.** Tenant will indemnify and hold Landlord and Landlord's respective directors, officers, partners, shareholders, members, employees, and affiliates (collectively, "Landlord Parties") harmless against all claims, liabilities, losses, damages, expenses, and attorneys' fees that may be suffered or sustained by a Landlord Party arising directly or indirectly from: (a) Tenant's use or occupancy of the Property; (b) any claims by third parties Tenant invites onto the Property; (c) sale and consumption of food grown on the Property; or (d) any breach by Tenant of this Agreement, except to the extent the liability is caused by the gross negligence or willful misconduct of such Landlord Party.

5.2 **Waiver and Release of Claims by Tenant.** To the fullest extent permitted by law, Tenant waives any and all claims against Landlord and all other Landlord Parties resulting from death of or injury to Tenant or any other person arising directly or indirectly from Tenant's use and occupancy of the Property, regardless of the cause and even if caused by negligence of Landlord Parties, whether passive or active. Tenant agrees not to sue any Landlord Party on the basis of these waived and released claims. Tenant understands that the releases and waivers in this Agreement extend to claims that Tenant does not know of or does not expect to exist at the time Tenant signs this Agreement. Tenant waives the protections of Section 1542 of the California Civil Code.

5.3 **Acceptance by Tenant.** Tenant accepts the leased premises, as well as the improvements on the premises and facilities appurtenant to the premises, in their present condition. Tenant agrees with, and represents to Landlord, that the leased premises have been inspected by him/her and that Tenant has been assured by means independent of Landlord or Landlord's agents of the truth of all facts material to

this lease and that the leased premises are being leased by Tenant as a result of its inspection and investigation and not as a result of any representations made by Landlord or Landlord's agents.

6. Termination

6.1 **Termination by Landlord.** Landlord may terminate this Agreement if: (a) Tenant fails to make a rent payment within thirty (30) days of when payment is due; (b) Tenant abandons or vacates the Property for thirty (30) consecutive days; or (c) Tenant breaches any other provision of this Agreement and the breach continues for more than fifteen (15) days after Tenant receives written notice of the breach from Landlord, it being understood that if the breach cannot by its nature be cured within such 15-day period, then Tenant will have an additional reasonable period (which will not in any case exceed 30 days) to attempt to cure the breach. Such a termination will be effective 10 days after delivery by Landlord to Tenant of a notice of termination. Tenant must then leave, quit, and surrender the Property to Landlord, but Tenant will remain liable for damages to the extent permitted by law. Landlord retains all rights to recover damages to the extent permitted by law and permissible under Section 1951.2 of the California Civil Code including, without limitation, unpaid rent for use of the Property until termination, rent to be paid for the remainder of the Term, and any amount necessary to compensate Landlord for charges incurred by reason of Tenant's failure to perform its obligations under this Agreement. All of Landlord's rights and remedies under this Agreement are cumulative and not alternative and will be in addition to all rights, powers, and remedies given to Landlord at law or in equity.

6.2 **Termination by Tenant.** Tenant may terminate this Agreement at any time. Such termination will be effective 60 days after delivery by Tenant to Landlord of a notice of termination.

6.2.1 Tenant may also terminate this Agreement upon (a) a failure of the water supply, whether in terms of quantity, reliability or quality, or occurrence of fire, flood or other similar physical event, that materially interferes with Tenant's ability to farm the Property, or (b) a material breach of this Agreement by Landlord. Such a termination will be effective 15 days after delivery by Tenant to Landlord of a notice of termination.

6.2.2 Rent will be due in full immediately upon Tenant's termination, unless Tenant's termination is for the failure to provide amenities listed in section 6.2.1(a) or (b) above, or for another reasonable cause, provided that reasonable cause is not created by Tenant's own actions, or the actions of Tenant's agents, employees or laborers.

6.3 **Holdover.** This Agreement terminates without further notice at the expiration of the Term. Any continued occupancy by Tenant of all or a portion of the Property after the expiration of the Term will be construed by the parties to be a tenancy from month-to-month on the terms set out in this Agreement, cancellable by either party upon 30 days' written notice. Any holding over is not a renewal or extension of the Term.

6.4 **Surrender of the Property.** Upon termination of this Agreement, Tenant will at Tenant's expense surrender the Property in good order and condition, reasonable wear and tear excepted, and will remove all of Tenant's personal property. Except as may otherwise be agreed in writing by Landlord and Tenant at the time of installation, all permanent improvements and alterations to the Property other than trade fixtures will belong to Landlord. Tenant may retain ownership of, and will remove, all sheds, mobile greenhouses, signs, and other nonpermanent improvements Tenant may have made to the Property.

6.5 **Personal Property.** If Tenant leaves any of Tenant's personal property on the Property after the termination of this Agreement, Landlord may store it at a warehouse or any other location for Tenant's account and at Tenant's risk and expense. Landlord will release the property only when Tenant pays all charges relating to storage and all other amounts Tenant owes Landlord under this Agreement. If Tenant does not reclaim the property within the period permitted by law, Landlord may sell it in accordance with law and apply the proceeds of the sale to any amounts Tenant owes to Landlord under this Agreement, or retain Tenant's property, granting Tenant credit for the reasonable value of the property against any amounts Tenant owes to Landlord.

6.6 **Survival.** Sections 5, 6, and 7 in their entirety as well as Section 4.4 of this Agreement will survive termination of this Agreement.

7. General Provisions

7.1 **Entire Agreement.** This Agreement, together with its exhibits, is the entire agreement between Tenant and Landlord and supersedes all prior or contemporaneous written and oral agreements. This Agreement may be amended only by a document signed by both Tenant and Landlord and reciting that it is an amendment to this Agreement. If there are any inconsistencies between this Agreement and its exhibits, this Agreement will control.

7.2 **Severability; Waiver.** If any provision in this Agreement is held invalid or unenforceable, the other provisions will remain enforceable, and the invalid or unenforceable provision will be considered modified so that it is valid and enforceable to the maximum extent permitted by law. Any waiver under this Agreement must be in writing and signed by the party granting the waiver. Waiver of any breach or provision of this Agreement will not be considered a waiver of any later breach or of the right to enforce any provision of this Agreement.

7.3 **Relationship.** Tenant and Landlord are independent contracting parties. Nothing contained in this Agreement will create a partnership, joint venture, fiduciary, or employment relationship between Tenant and Landlord. Neither Tenant nor Landlord have the power or authority to act on behalf of the other or in the other's name directly or indirectly in any manner. Landlord will not be responsible for any debts, liabilities, or obligations Tenant contracts or incurs in carrying out Tenant's farming operations on the Property or otherwise.

7.4 **No Third Party Beneficiaries.** Except as provided in Section 5.1, this Agreement is for

the exclusive benefit of Tenant and Landlord and not for the benefit of any third party.

7.5 **Binding on Heirs.** This Agreement will be binding upon the heirs, executors, administrators, and permitted assignees or successors in interest of Landlord and Tenant.

7.6 **Notices.** Notices and consents under this Agreement must be in writing and delivered by mail, hand, fax, or e-mail to the addresses set out on the signature page of this Agreement or other addresses given by one party to the other in writing. Notices given in the manner will be considered given two business days after deposit in the mail, or the first business day after delivery to a courier, delivery by fax or transmission by e-mail.

7.7 **Memorandum of Lease.** The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

7.8 **Governing Law; Jurisdiction.** This Agreement will be governed by California law. Tenant and Landlord consent to the exclusive jurisdiction of the state and federal courts for Calaveras County, California.

SO AGREED

Signature on file. _____
Tenant

5/1/19 _____
Date

Signature on file. _____
Landlord

5/1/19 _____
Date

ATTACHMENT G

DEVELOPMENT SCHEDULE

June 1, 2020

Manufacturing facilities capable of producing concentrate oils using cold non-volatile ethanol installed.

June 1, 2021

Test marketing activities of concentrate products to specific retail stores outside of Stanislaus County.

January 1, 2023

Sale of NRC branded manufactured cannabis products.

RECORDING REQUESTED BY:

**COUNTY OF STANISLAUS
BOARD OF SUPERVISORS**

When Recorded Mail To:

Stanislaus County
Department of Planning & Community Development
1010 10th Street, Suite 3400
Modesto, CA 95354

Fee Waived per GC 27383

Space above this line for Recorder's use

FIRST AMENDMENT TO
DEVELOPMENT AGREEMENT
BETWEEN THE
COUNTY OF STANISLAUS
AND
NATURAL REMEDIES CONSULTING, INC.
5272 JERUSALEM CT., MODESTO

This First Amendment to Development Agreement (“First Amendment”) is made and entered in County of Stanislaus on this ___ day of _____, 2022, by and between Stanislaus County, a political subdivision of the State of California (hereafter “County”) and Natural Remedies Consulting, Inc., a California Corporation (hereafter “Permittee”). County and Permittee may be individually referred to in this First Amendment as a “Party” and collectively as the “Parties.”

RECITALS

A. Whereas the County and Permittee entered into that certain Development Agreement dated December 17, 2019 (“Development Agreement”) regarding the property more particularly described on Exhibit A attached hereto and incorporated by this reference.

B. Whereas, Permittee is currently obligated to pay \$57,000 in 2022, and \$65,500 in 2023 for its Public Benefit Contribution as set forth in the Development Agreement.

C. Whereas, Permittee is currently obligated to pay the greater of \$450,000 or 8% of its Gross Receipts in 2022 and \$470,000 or 8% of its Gross Receipts in 2023 for its Public Benefit Rate Payment as set forth in the Development Agreement.

D. Whereas, poor economic conditions have impacted Permittee’s business and Permittee is requesting economic relief for its Public Benefit Contribution and its Public Benefit Rate Payment for the years 2022 and 2023.

E. Whereas, County is amenable to providing economic relief to Permittee by reducing the Public Benefit Rate Payment for the years 2022 and 2023.

F. Whereas, on May 3, 2022 the Board of Supervisors terminated the collection of the Community Benefit Contribution.

G. Whereas, Section 13.4 of the Development Agreement requires an amendment to the Development Agreement for any amendment to monetary contributions by the Permittee under the Development Agreement.

H. Whereas Section 12.2 of the Development Agreement provides that the Development Agreement may be amended in writing from time to time by mutual consent of the Parties thereto and in accordance with the procedures of State law and permitted uses.

NOW, THEREFORE, with reference to the foregoing recitals and in consideration of the mutual promises, obligations and covenants herein contained, County and Permittee agree as follows:

AGREEMENT

1. Incorporation of Recitals. The Recitals and all defined terms set forth above are hereby incorporated into this Agreement as if set forth herein in full.

2. Elimination of Permittee's Public Benefit Contribution Obligation.
 - 2.1. Community Benefits. Permittee's Community Benefit Contribution for the years 2022 and 2023 and thereafter is hereby eliminated.

 - 2.2. Elimination of Section A, Attachment E. Section A (Community Benefit Contribution) of Attachment E is hereby deleted in its entirety and not replaced.

"Permittee will participate in the amended Community Benefit Contribution Program as authorized by the Chief Executive Officer. Compliance will be verified during the annual inspection process."

3. Reduction in Permittee's Public Benefits Rate Payments.
 - 3.1. Community Benefits. Permittee's Community Benefit Rate Payments for the years 2022 and 2023 shall be the greater of \$261,300 or 8% of Gross Receipts.

 - 3.2. Revision to Attachment E, Section B. Paragraph 3.2.2 of Section B (Community Benefit Rate Payments) of Attachment E is deleted in its entirety and replaced by the following:

"3.2.2. Subsequent years to be paid in quarterly installments on April 30, July 30, October 30, and January 30, as follows:

 - A. In Year 2020, the greater of \$410,000 or 8% of Gross Receipts;
 - B. In Year 2021, the greater of \$430,000 or 8% of Gross Receipts;
 - C. In Years 2022 and 2023, the greater of \$261,300 or 8% of Gross Receipts."

4. Ratification of Amended Development Agreement. Except as amended herein all other terms and conditions of the Development Agreement shall remain in full force and effect. In the event of a conflict between any provision of the Agreement and a provision of this Amendment, the provision of this Amendment shall control. The Development Agreement, as amended herein, is hereby ratified by the Parties.

5. Counterparts.

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original.

6. Recordation.

The County shall record a copy of this First Amendment within ten (10) days following execution by all Parties.

[signatures appear on following page]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date and year first above written.

COUNTY

County of Stanislaus

By: _____
Terrance P. Withrow
Chairman of the Board of Supervisors

Attest:
Clerk of the Board of Supervisors

Deputy Clerk

Approved as to Form:
Thomas E. Boze
County Counsel

By: Donya Nunes
Donya Nunes (Jul 27, 2022 10:30 PDT)
Donya Nunes
Deputy County Counsel

PERMITTEE

Natural Remedies Consulting, Inc.

By: CKg
Cheryl King, CEO

Dated: Aug 11, 2022

By: Richard King
Richard King, CFO

Dated: 8-11-22

(NOTARIZATION ATTACHED)

CALIFORNIA ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Stanislaus }

On August 11, 2022 before me, Karyn A. Watson, Notary Public,
(Here insert name and title of the officer)

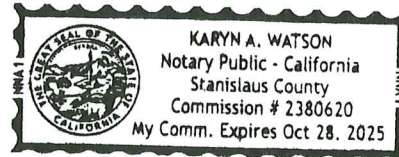
personally appeared Cheryl King and Richard King,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Notary Public Signature

(Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

First Amendment to Development
(Title or description of attached document)

Agreement - Natural Remedies
(Title or description of attached document continued)

Number of Pages 5 Document Date 8/11/2022

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer
CEO / CFO
(Title)
- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/~~they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

ATTACHMENT A

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California,
described as follows:

PARCEL 8 AS SHOWN ON THAT CERTAIN PARCEL MAP FILED
OCTOBER 20, 2000 IN VOLUME 50 OF PARCEL MAPS, AT PAGE 59,
STANISLAUS COUNTY RECORDS.

STANISLAUS COUNTY
DEPARTMENT OF PLANNING AND
COMMUNITY DEVELOPMENT
1010 10th Street, Suite 3400
Modesto, California 95354

NOTICE OF EXEMPTION

Project Title: Amendment of the Development Agreement for Use Permit & Development Agreement No. PLN2018-0101 – Natural Remedies Consulting, Inc.

Applicant Information: Natural Remedies Consulting, Inc. (Cheryl and Richard King), 5272 Jerusalem Court, Modesto, CA 95356.

Project Location: 5272 Jerusalem Court, north of Kiernan Avenue, in the Modesto area. Stanislaus County. APN: 004-065-019.

Description of Project: Request to amend the adopted Development Agreement to eliminate the Community Benefit Contribution and to modify the Community Benefit Rate for retail activities at a commercial cannabis operation.

Name of Agency Approving Project: Stanislaus County Board of Supervisors

Lead Agency Contact Person: Jeremy Ballard, Senior Planner

Telephone: (209) 525-6330

Exempt Status: (check one)

- Ministerial (Section 21080(b)(1); 15268);
- Declared Emergency (Section 21080(b)(3); 15269(a));
- Emergency Project (Section 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: _____
- Statutory Exemptions. State code number: _____
- Common Sense Exemption. 15061 (b)(3)

Reasons why project is exempt: The proposed development agreement amendment only alters fees required to be paid by the operator and does not propose any physical changes to the existing commercial cannabis operation.

Dated

Jeremy Ballard
Senior Planner